

Bulk Supply Agreement

Between

South East Water Ltd

And

Insert NAV full Name.

Agreement No: Insert contract No.

Contents

Section 1. Definitions and interpretation	5
Section 2. Commencement and duration.....	10
Section 3. Connection	10
Coordination of On-Site Main and SEW's Works	10
Commissioning and connection	11
Recalculation of the Capital Contribution	13
Section 4. Provision of the Supply by SEW	13
General obligations of SEW to make a supply of water	13
Flow and pressure of the Supply	14
Changes to the Supply.....	14
Section 5. Operation of the Water Supply Systems	15
Operation of SEW's Water Supply System	15
Operation of NAV's Water Supply System.....	16
Section 6. Planned and unplanned events	16
Planned events on SEW's Water Supply System.....	16
Unplanned events on SEW's Water Supply System.....	16
SEW's obligation to restore the Supply	17
Exclusive obligations of SEW.....	17
Emergency Supply by SEW.....	18
Assistance Supply by SEW.....	18
Compliance with SEMD obligations	19
Section 7. Water quality	20
Section 8. Metering	21
Responsibility for the meter(s).....	21
Type and size of meter(s)	21
Change of size and/or type.....	21
Testing of meters.....	21
Inaccuracy and Tampering.....	22
NAV equipment.....	22
Access to meters.....	23
Section 9. Charges.....	23
Charges payable by NAV.....	23
Capital contribution charges.....	23
Infrastructure charges.....	24
Supply Charge.....	24
Calculation of the Supply Charge	24

Invoicing for the Supply Charge	24
Assistance Supply Charge	25
Assistance Supply that is a piped supply.....	25
Assistance Supply that is not a piped supply.....	25
Invoicing of the Assistance Charge.....	25
Non-Primary charges.....	25
Section 10. Payment of Income Offset	25
Section 11. Meter readings and estimates.....	27
Meter reading frequency.....	27
Meter reading evidence of volume	27
Estimated reading if the meter registers incorrectly.....	27
Section 12. Payment provisions	28
Payment of Invoices.....	28
VAT and taxes.....	28
Late payment	28
Section 13. Access to metering data	29
Section 14. Drought and water resources management.....	29
Water resources management plans.....	29
Drought plans and drought.....	29
Section 15. Contract management and change management	30
Contract managers and annual review meetings.....	30
Cooperation between the parties	30
Variations and change control procedure	30
Section 16. Force majeure.....	30
Section 17. Compliance obligations and policies	31
Anti-bribery and prevention of corruption.....	31
Anti-slavery and human trafficking.....	32
Compliance with law.....	32
Section 18. Confidentiality, EIR, FOI and intellectual property rights	32
Confidentiality.....	32
Mandatory disclosure to authorities and under EIR or FOI.....	33
Intellectual property rights.....	33
Section 19. Liability and insurance	34
Limitation of liability	34
Losses not excluded or limited	34
Severability.....	34

Excluded losses	34
Maximum financial liabilities.....	34
Mitigation	36
Notice of third party claims	36
Insurance	36
Section 20. Termination and expiry.....	37
Termination.....	37
Consequence of termination or expiry	37
Section 21. Dispute resolution	38
Section 22. General provisions	39
Entire agreement.....	39
Assignment and transfers.....	39
Severability.....	39
Waiver	39
Third party rights.....	39
No partnership, joint venture or agency	39
Set off.....	40
Notices.....	40
Law and jurisdiction	40
Schedule 1. Characteristics of the Supply.....	42
Schedule 2. Charges.....	43
Schedule 3. Supply Point, Alternative Supply Point, Connection and Reinforcement	45
Schedule 4. Water Quality Protocol, Planned and unplanned events	46
Schedule 5. Change control procedure.....	58

This agreement is made the day of 2019

Parties

- A. **SOUTH EAST WATER LIMITED** incorporated and registered in England and Wales with company number 02679874 whose registered office is at Rocfort Road, Snodland, Kent, ME6 5AH (“SEW”)
- B. *Insert NAV full Name.* incorporated and registered in England and Wales with company number *Enter NAV registration No.* whose registered office is at *Enter NAV registered address.* (“NAV”).

Recitals

- 1) SEW is the water undertaker appointed under the Water Industry Act 1991.
- 2) NAV has applied to be appointed as the water undertaker for a site located within the current area of appointment of SEW pursuant to section 7 of the Water Industry Act 1991 and for a variation to the appointments of SEW and NAV.
- 3) NAV wishes to obtain a supply of treated water in bulk from SEW and SEW has accepted to provide such a supply on the terms set out in this agreement.

Agreed terms

Section 1. Definitions and interpretation

1. In this agreement the following words and expression have the meaning set out below:

“**Act**” means the Water Industry Act 1991.

“**Additional Capital Contribution**” means the additional capital contribution that NAV may be required to pay SEW during the term of this agreement in relation to any change to the Connection or any new Connection and any related infrastructure works that may be necessary as a result of a change on the Site as set out in clause 29 and calculated in accordance with SEW’s Charging Arrangements (as published from time to time).

“**Alternative Supply Point**” means the alternative supply point(s) or any of them, the location of which is more particularly described on the plan included in Schedule 3 (or such other actual location as may be agreed between the parties following signature of this agreement and recorded in as laid plans), being the point(s) where any piped Emergency Supply or piped Assistance Supply may be provided by SEW.

“**Assistance Supply**” means a supply by SEW to the Site by bowser, temporary main, bottled water or otherwise, in accordance with clause 53 to 57 at the request of NAV where there is an event on NAV’s Water Supply System.

“**Assistance Supply Charge**” means the charges for any Assistance Supply (provided as a piped supply or by other means or both as described in clauses 87 and 88) and set out in Schedule 2.

“**Capital Contribution**” means the amount payable by NAV to SEW for the provision of the SEW’s Works (but excluding Reinforcement and SEW’s Works pursuant to clause 29) as set out in Schedule 2 or determined in accordance with this agreement and calculated in accordance with SEW’s Charging Arrangements (as published from time to time).

“Charges Scheme” means the charges scheme relating to infrastructure charges and miscellaneous services (or similar document) published by SEW from time to time in accordance with charging rules published by Ofwat.

“Charging Arrangements” means the charging arrangements for new connection services (or similar document) published by SEW from time to time in accordance with charging rules published by Ofwat.

“Charging Year” means each year commencing on 1 April and ending on 31 March.

“Conditions for Connection” means the following conditions which must be satisfied to the reasonable satisfaction of SEW as a condition of the Connection:

Condition 1. The Estimated Capital Contribution has been paid by NAV to SEW;

Condition 2. The commissioning and water quality tests (including without limitation any pressure test, disinfection records and water quality analysis) of the first section of On-Site Main connected to SEW’s Water Supply System have been completed successfully. A copy of the water quality results and chlorination certificate has been provided by NAV to SEW. Water quality testing will include analysis to determine levels and or concentrations of the following parameters: coliforms, e coli, pH, conductivity, iron, turbidity, total residual chlorine and organoleptic analysis.

Condition 3. If SEW has informed NAV that it requires one or more deeds of grant of easement in the standard form of SEW in relation to any section of the SEW’s Works not within a Street on land owned or controlled by NAV or a developer, each such easement(s) has been completed.

Condition 4. NAV is for the time being the appointed water undertaker for the Site and all water mains and service pipes (to the relevant extent), which have been constructed prior to the date of the Connection and are located within the Site, have been vested in NAV and form part of NAV’s Water Supply System.

“Connection” means each connection of NAV’s Water Supply System to SEW’s Water Supply System at the Supply Point (and where applicable at the Alternative Supply Point) at the location more particularly described in Schedule 3 to be carried out in accordance with Section 3.

“Connection Date” means (a) in respect of the Supply Point the date on which the Connection at that location is completed by SEW and (b) in respect of any Alternative Supply Point the date on which the Connection at that location is completed by SEW.

“Discount” means the discount determined in accordance with the provisions of Schedule 2.

“Drought Order” means an order made under section 73 of the Water Resources Act 1991.

“Emergency Supply” means a supply by SEW to the Site by bowser, temporary main, bottled water or otherwise made in accordance with clauses 50 to 52 in case of an event on SEW’s Water Supply System which affects the Supply.

“Estimated Additional Capital Contribution” means the estimate of any Additional Capital Contribution calculated in accordance with SEW’s Charging Arrangements (as published from time to time).

“Estimated Capital Contribution” means the estimate of the Capital Contribution as set out in Schedule 2 and calculated in accordance with SEW’s Charging Arrangements (as published from time to time).

“External Conditions” means conditions which affect or are likely to affect the construction of the SEW’s Works including without limitation:

- (a) physical conditions such as the actual (as opposed to expected) location, condition and description of any assets of SEW or of any other person, physical obstructions, watercourse, geotechnical conditions, ground conditions, ground contamination, access conditions, environmental constraints including those relating to designated sites or protected species, archaeological finds;
- (b) third parties' requirements including without limitation those of utilities other than SEW or of Network Rail or other rail infrastructure company, highways authorities licensing or permitting, traffic management, third party rights or consents in respect of land (such as requirements relating to rights of access to carry out works on land other than a street), environmental or archaeological consents or authorisations; and
- (c) condition of SEW's Water Supply System including burst, loss of pressure, water quality, any emergency or necessary works affecting the availability, pressure or quality of the water.

"GSS Regulations" means the Water Supply and Sewerage Services (Customer Service Standards) Regulation 2008.

"Good Industry Practice" means the exercise of that degree of skill, care, diligence, prudence, efficiency, timeliness, operating practice and foresight which would reasonably and ordinarily be expected from an experienced water undertaker seeking in good faith to comply with his duties and contractual or legal obligations and is engaged in a similar type of activities and under the same or similar circumstances;

"Income Offset" means a sum of money that would have been determined by SEW in accordance with the provisions of its Charging Arrangements in relation to a new water main (being substantially the same as the On-Site Main and with the same number and type of connected premises as those to be connected to the On-Site Main with the same water consumption and with the same start of occupation), in recognition of revenue likely to be received by SEW in future years for the provision of supplies of water to premises connected to the new water main as if that water main had been laid by SEW (rather than being laid by NAV), for the purpose of offsetting that sum against the costs to SEW (including financing costs) of providing the new water main in calculating the relevant charge that SEW would have recovered (and being equivalent to the asset payment that would be paid to a self-lay provider under a self-lay agreement).

"Infrastructure Charges" means charges fixed and collected by NAV pursuant to section 146(2) of the Act and NAV's relevant charges scheme (or as otherwise required under any law or any charging rules issued by Ofwat) in respect of the connection to a water supply of each premises on the Site being premises which have never at any previous time been connected to a supply of water provided for domestic purposes by a water undertaker (or other authority or body) being (except to the extent that this would result in a breach by NAV of any of its legal or statutory obligations) charges equal to, and subject to the same terms as, the infrastructure charges set by SEW in its Charges Scheme in accordance with the relevant charges scheme rules as published by SEW from time to time.

"Infrastructure Charges Amount" means the amount corresponding to the Infrastructure Charges to be collected by NAV in respect of the premises on the Site and remitted to SEW in accordance with this agreement.

"Maximum Rate of Flow" means the maximum rate of flow at peak demand measured at the Supply Point and set out in Schedule 1.

"Non-primary Charges" means any charge payable by NAV to SEW under this agreement in relation to ad-hoc wholesale services and set out in SEW's Wholesale Tariff Document.

"On-Site Main" means the water mains to be laid or adopted by NAV on or near the Site which will be part of NAV's Water Supply System.

“Prescribed Limits of Error” means the limits prescribed in the Measuring Equipment (Cold Water Meters) Regulations 2006

“Reinforcement” means any water mains, tanks, service reservoirs, pumping stations and other network reinforcement works on SEW’s Water Supply System that it is necessary for SEW to provide in consequence of the Supply and/or any Assistance Supply as described more particularly in Schedule 3 where applicable.

“Relevant Multiplier” means the number (which may be one or more or less than one) calculated in the manner set out in NAV’s charges scheme and being calculated following the same methodology as that set out in SEW’s Charges Scheme.

“Security and Emergency Measures Direction” means the Security and Emergency Measures (Water and Sewerage Undertakers) Direction 1998.

“Sensitive Customer” means any person who is vulnerable for the purposes of the Security and Emergency Measures Direction including the sick, the elderly, the disabled, hospitals, schools and other vulnerable sectors of the population.

“Service Standards” means SEW’s guaranteed levels of service to its customers under the GSS Regulations, any enhanced guaranteed levels of service and SEW’s performance commitments under any relevant price control.

“SEW’s Works” means the Connection, such water main(s) to be laid between SEW’s existing Water Supply System and the Supply Point (and where applicable the Alternative Supply Point) and other apparatus, which SEW reasonably considers are necessary to provide the Supply (and where applicable any Assistance Supply), any Reinforcement, the works referred to in clause 29 and any enabling or incidental works relating to them.

“Site” means Insert site address, name, locality other identifying details. which shall become part of the supply area of NAV and as such area is more particularly defined in NAV’s appointment or its or modification.

“Street” has the meaning ascribed to it in section 48 of the New Roads and Street Works Act 1991

“Supply” means a supply of treated water meeting the characteristics set out in Schedule 1 and Section 4.

“Supply Charge” means the charge payable by NAV to SEW in consideration for the Supply in accordance with clauses 85 and Schedule 2.

“Supply Point” means the supply point(s) or any of them, the location of which is more particularly described on the plan included in Schedule 3 (or such other actual location as may be agreed between the parties following signature of this agreement and recorded in as laid plans), being the point(s) where the Supply shall be provided by SEW.

“Strategic Main” means a main that conveys water in bulk to centres of population that have no other supply that can fully meet normal demand.

“Term” means the duration of the agreement determined in accordance with clause 3.

“Water Quality Regulations” means the Water Supply (Water Quality) regulations 2016.

“Water Supply System” means the water supply system comprising:

- (a) any reservoirs and other places of storage and any treatment works developed or maintained by a party (as a water undertaker) for the purpose of compliance with its duty under section 37 of the Water Industry Act 1991;
- (b) any water mains and other pipes which it is a party’s duty (as a water undertaker) to develop and maintain by virtue of section 37 of the Water Industry Act 1991; and

(c) any pipes of a party (as a water undertaker) which are used for the purposes of supplying water outside its supply area pursuant to section 66A(8) of the Water Industry Act 1991.

“Wholesale Tariff Document” means the wholesale tariff document published by SEW as required under the Wholesale Retail Code setting out wholesale charges to water supply licensees.

“Working Day” means a day, other than a Saturday, Sunday or public holiday in England

2. The following rules shall apply for the interpretation of this agreement:

- 2.1. A person includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).
- 2.2. The schedules and the recitals form part of this agreement and any reference to this agreement is also a reference to the recitals and the schedules.
- 2.3. A reference to a company shall include any company, corporation or other body corporate, wherever and however incorporated or established.
- 2.4. A reference to a holding company or a subsidiary means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Companies Act 2006.
- 2.5. Unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular.
- 2.6. Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 2.7. This agreement shall be binding on, and enure to the benefit of, the parties to this agreement and their respective successors and permitted assigns, and a reference to any party shall include that party's successors and permitted assigns.
- 2.8. A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time.
- 2.9. A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 2.10. A reference to writing or written includes email.
- 2.11. Any obligation on a party not to do something includes an obligation not to allow that thing to be done.
- 2.12. References to sections, clauses and schedules are to the sections, clauses and schedules of this agreement and references to paragraphs are to paragraphs of the relevant schedule.
- 2.13. Any words following the terms including, include, in particular, for example or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.

Section 2. Commencement and duration

3. This agreement shall commence on the date NAV's becomes the appointed water undertaker in respect of the Site and shall continue, unless terminated earlier in accordance with the terms of this agreement, until the 20th anniversary of the commencement of this agreement (the "Initial Term") when it shall terminate automatically without notice unless it has been extended in accordance with clause 4.
4. This agreement may be extended for a period of 10 years ("Extended Term") after:
 - 4.1. the Initial Term; or
 - 4.2. any Extended Term,

if no later than 12 months and not more than 18 months before the end of the Initial Term or of the current Extended Term, the parties agree in writing that the term of the agreement shall be extended for an Extended Term. If the parties have not agreed an Extended Term in accordance with this clause 4 before the expiry date of the Initial Term or of the current Extended Term, this agreement shall terminate automatically without notice on that expiry date, unless it is terminated earlier in accordance with this agreement.

Section 3. Connection

Coordination of On-Site Main and SEW's Works

5. Subject always to clause 17 and 18, SEW shall use reasonable endeavours to programme the SEW's Works in a manner consistent with:
 - 5.1. NAV's own construction programme for the On-Site Main; and
 - 5.2. where SEW's Works are carried out pursuant to clause 29, NAV's own construction programme for any related works to be carried out by NAV and/or any relevant construction programme of a third party;(to the extent it has been made available to SEW and that SEW has received sufficient advance notice and has been kept informed of changes to it) and shall complete the SEW's Works in accordance with such programme (and in accordance with any provisions of this agreement relating to any specific part of the SEW's Work) subject always to the reasonable impact of any External Conditions on the carrying out or completion of the SEW's Works by SEW or its contractor(s). Where External Conditions affect the execution or completion of the SEW's Works, SEW shall use all reasonable endeavours to complete the works as soon as reasonably practicable having regard to the reasonable impact of the External Conditions.
6. NAV shall provide information to SEW:
 - 6.1. on NAV's construction programme for the On-Site Main as soon as reasonably practicable following signature of this agreement and no later than on the start date of these works (if that start date is not earlier than the date of signature of this agreement);

- 6.2. on any construction programme for works to be carried out by NAV and/or any third party in relation to SEW's Works carried out pursuant to clause 29 as soon as reasonably practicable after becoming aware of the need for such works; and
- 6.3. on any change to the construction programme(s) referred to above which will or is likely to affect the performance of the obligations of SEW under this agreement as soon as reasonably practicable after becoming aware of the change.
- 7. NAV shall provide or procure access to the Site and any other land under its control or the control of the owner or developer(s) free of charge to SEW at all reasonable times where this is required to allow SEW to carry out the SEW's Works.

Commissioning and connection

- 8. NAV shall give SEW as much advance notice as possible of the planned date of completion of the first section of On-Site Main to be connected to SEW's Water Supply System (the "First Section") at each Supply Point (or where applicable at each Alternative Supply Point) in order to assist SEW in planning any works required for:
 - 8.1. providing water for commissioning (including pressure testing, disinfection and water quality sampling) of the On-Site Main; and/or
 - 8.2. the Connection.
- 9. Where works are carried out by NAV and/or any third party on NAV's Water Supply System to enable or otherwise in relation to any change to a Connection and/or the provision of a new Connection pursuant to clause 29, SEW acting reasonably shall be entitled to require NAV to carry out appropriate commissioning before such change or new Connection is completed, and the provisions of clauses 10 to 15 below shall apply as if references to the commissioning of the First Section were references to the commissioning of such works (or the appropriate part thereof), references to the sampling of the First Connection or the sampling of the On-Site Main were references to the sampling of such works (or the appropriate part thereof), and references to Connection included any change to a Connection. Where this clause 9 applies, NAV shall give SEW as much advance notice as possible of the planned date of completion of any works to be carried out on NAV's Water Supply System in relation to any change to a Connection and/or the provision of any new Connection pursuant to clause 29.
- 10. NAV shall give SEW no less than 15 Working Days' notice of the planned commissioning date of the First Section (or such other notice agreed in writing with SEW).
- 11. Provided that NAV complies with clauses 8, (where applicable 9) and 10, SEW shall make water available by the planned commissioning date to allow for the commissioning of the First Section to take place (including through a temporary arrangement where any required spur main to be constructed by SEW is not completed) except if due to External Conditions, SEW is unable to make the water available for commissioning in which case SEW shall notify NAV and make water available as soon as reasonably practicable thereafter.
- 12. As soon as reasonably practicable after commissioning of the First Section, and in any event on the Working Day following the day when the relevant results are available (or such other period agreed in writing between the parties), NAV shall notify SEW of whether or not the commissioning has been successful and provide a copy of the chlorination certificate and water quality analysis results. If the commissioning is not

successful (which shall include any failed water quality sample), NAV shall repeat the commissioning or any part thereof as soon as reasonably practicable and the provisions of this clause shall apply to any repeated commissioning or part thereof.

13. Subject to clause 14, SEW shall complete the Connection within a period of 10 Working Days commencing on the date on which all of the Conditions for Connection have been satisfied to the reasonable satisfaction of SEW or waived by SEW in writing in respect of the Connection, provided that if the date of connection would be more than 14 days after the first successful sampling of the First Section, the Connection shall only be made after further successful sampling of the On-Site Main (at the expense of NAV if the delay is attributable to NAV and at the expense of SEW otherwise) and within a period of 5 Working Days commencing on the date on which such successful sampling is confirmed to SEW.
14. If due to External Conditions, SEW is unable to complete any enabling SEW's Works which are necessary to make the Connection on the date which would have been determined in accordance with clause 13, SEW shall complete the necessary enabling SEW's Works and carry out the Connection as soon as reasonably practicable following completion of these works (and SEW shall carry out and bear the cost of any additional sampling that may be required).
15. SEW shall be entitled to install as part of the Connection (and where applicable at the Alternative Supply Point):
 - 15.1. a double check valve to control the risk of backflow contamination; and
 - 15.2. a flow restriction device to control the risk that the Supply may exceed the Maximum Rate of Flow; and
 - 15.3. a bypass to allow for maintenance and other necessary works including work on the meter(s) whilst limiting the need to interruption,
 - 15.4. and the cost of the valve(s) and/or flow restriction device, and bypass shall be included in the calculation of the Estimated Capital Contribution (where applicable) and of the Capital Contribution and in the calculation of any Estimated Additional Capital Contribution (where applicable) and any Additional Capital Contribution.
16. NAV shall be solely responsible for taking all necessary steps to protect water quality if due to insufficient water demand on the Site there is no adequate turnover throughout the On-Site Main.
17. SEW shall provide any Reinforcement in accordance with any programme agreed between the parties which is so far as reasonably practicable consistent with NAV's own construction programme for the On-Site Main having regard to the reasonable impact of any External Conditions on the carrying out or completion of the Reinforcement by SEW or its contractor(s). It is acknowledged that unless otherwise agreed in writing between the parties (and only where it is necessary in order to supply the Site from the date of Connection of the On-Site Main), the Reinforcement may be completed after the Connection.
18. If SEW or its contractor is unable to or is likely to be unable to carry out or complete any Reinforcement in accordance with such programme as is referred to in the previous clause due to External Conditions, SEW shall notify NAV of this fact as soon as reasonably practicable after becoming aware of such External Conditions. Where a delay will or is likely to affect the Supply or Assistance Supply to the Site, SEW shall use reasonable endeavours to complete the Reinforcement as soon as reasonably practicable, and to the extent possible having regard to the reasonable impact of such External Conditions, and SEW shall keep NAV informed of its revised programme or revised completion date.

Recalculation of the Capital Contribution

19. Where an Estimated Capital Contribution has been paid in accordance with this agreement, following completion of all the relevant SEW's Works, excluding Reinforcement, SEW shall as soon as reasonably practicable calculate the Capital Contribution based on the actual costs of these works using the same methodology as was used for the calculation of the Estimated Capital Contribution. If a balancing payment by NAV or by SEW is required SEW shall notify the amount of such payment and of the recalculated Capital Contribution to NAV as soon as practicable following recalculation.
20. Within a period of 15 Working Days commencing on the date of receipt of the notification of the amount of any balancing payment and recalculation of the Capital Contribution from SEW, NAV shall review the calculation, raise any queries and notify whether the amount of the balancing payment is accepted or disputed. If NAV accepts the amount of the balancing payment, where the payment is to be made by SEW, NAV shall issue an invoice for the corresponding amount to SEW which shall be paid by SEW in accordance with the payment terms set out in Section 12 and where a payment is to be made by NAV, SEW shall issue an invoice for the corresponding amount to NAV which shall be paid by NAV in accordance with the payment terms set out in Section 12. If NAV fails to respond within the period of 15 Working Days set out above it shall be deemed to have accepted the calculation. If NAV disputes the amount of the balancing payment within the period of 15 Working Days set out above, the provisions of Section 21 shall apply.

Section 4. Provision of the Supply by SEW

General obligations of SEW to make a supply of water

21. In consideration of the payment of the Charges by NAV, SEW shall provide:

- 21.1. the Supply at the Supply Point;
- 21.2. any Emergency Supply; and
- 21.3. if requested by NAV, any Assistance Supply,

in accordance with Good Industry Practice and the provisions of this agreement from the date of the Connection (or for the avoidance of doubt from the date of the relevant Connection) subject to Section 6, Section 16 and to any specific conditions set out in Schedule 1 and/or Schedule 3.

22. Notwithstanding anything to the contrary in this agreement, where there is an Alternative Supply Point SEW shall have no obligation to reserve any quantity of water or to operate its Water Supply System in such a way as to maintain the availability at all time of any piped Assistance Supply or, of any piped Emergency Supply at the Alternative Supply Point (but without prejudice to the obligation of SEW to provide an Emergency Supply by other means or any obligation it may have to provide an Assistance Supply by other means).
23. Notwithstanding anything to the contrary in this agreement, SEW shall have no obligation to make and may interrupt or reduce the Supply or, where there is an Alternative Supply Point, any piped Emergency Supply or any piped Assistance Supply at the Alternative Supply Point (but without prejudice to the obligation of SEW to provide and Emergency Supply by other means or any obligation it may have to provide an Assistance Supply by other means) where any incident on NAV's Water Supply System or on the Site may in the reasonable opinion of SEW put at risk the water quality in SEW's Water Supply System and/or affect the

pressure or flow in SEW's Water Supply System causing a risk of discoloration, burst or other operational issue provided that SEW shall promptly resume the Supply after the cause of such risk has been removed.

24. NAV shall only use the Supply, and any Assistance Supply in the exercise of its functions as a water undertaker.

Flow and pressure of the Supply

25. Subject to Section 6 and Section 16, SEW shall provide the Supply at such level of constancy and pressure at the Supply Point as would reasonably enable NAV to meet its obligations under Regulation 10 of the GSS Regulations. SEW shall have no liability whatsoever to NAV, if NAV fails to comply with its own obligations in relation to pressure due to its own act or omission or because of an operational incident affecting NAV's Water Supply System.
26. NAV shall be responsible for designing, constructing and operating NAV's Water Supply System in accordance with Good Industry Practice in order to ensure that it is able to satisfy its own obligations in relation to pressure having regard to the characteristics of the Site and of the premises built on the Site. SEW shall have no obligation to maintain a level of pressure in SEW's Water Supply System greater than what would be reasonably required if NAV had designed, constructed and operated NAV's Water Supply System in accordance with Good Industry Practice in order to compensate for NAV's failure to comply with its obligations under this clause.
27. NAV shall be responsible for installing and maintaining sufficient storage or boosters as may be required to meet demand from premises on the Site in excess of the Maximum Rate of Flow or the minimum pressure to be maintained by SEW in accordance with its obligation under this agreement.
28. NAV shall not take any water for any purpose in excess of the Maximum Rate of Flow and, so far as reasonably practicable, shall ensure that the Supply is taken at a reasonably steady and constant rate of flow and is not increased suddenly in such a way that it may cause discoloration or other operational issues within SEW's Water Supply System.

Changes to the Supply

29. It is agreed that if it becomes necessary to vary the Supply and/or the Maximum Rate of Flow to enable an anticipated change in the demand from the Site:
 - 29.1. reinforcement of SEW's Water Supply System; and/or
 - 29.2. changes to the Connection or the making of one or more new Connection; and
 - 29.3. other related works on SEW's Water Supply System;may be required and that if such works are required, an Estimated Additional Capital Contribution and/or Additional Capital Contribution will become payable by NAV to SEW.
30. NAV agrees to use reasonable endeavours (exercising any right it may have vis-à-vis any person proposing to carry out any further development of the Site or the owners or occupiers of any premises on the Site) to ensure that no change as is described above shall take effect until either (i) SEW has confirmed that no works on SEW's Water Supply System (as are described in clause 29 above) are required as a consequence of the change, or (ii) the Estimated Additional Capital Contribution or the Additional Capital Contribution has been paid by NAV.

31. SEW shall have no liability to NAV for failing to meet the additional demand, to maintain the minimum pressure set out in clause 25 or to provide any increased maximum rate of flow, to the extent that NAV did not provide sufficient notice of the change or related information to enable SEW to carry out and complete any necessary works in time taking account of any reasonable lead time and of the impact of any External Conditions on the carrying out of such works by SEW.
32. Any change to this agreement in respect of any works required to enable an anticipated change in the demand from the Site, shall be agreed and recorded in writing in accordance with the change control procedure set out in Schedule 5 and Schedule 3 shall be updated as appropriate.
33. The provisions of clauses 19 and 20 shall apply in respect of any balance of the Additional Capital Contribution as they apply in respect of any balance of the Capital Contribution.
34. Where works on NAV's Water Supply System need to be carried out by NAV in connection with any SEW's Works as set out in clause 29, or where construction works on the Site need to be coordinated with relevant SEW's Works under clause 29, NAV and SEW shall use all reasonable endeavour to coordinate such works including in accordance with clauses 5 to 7.

Section 5. Operation of the Water Supply Systems

Operation of SEW's Water Supply System

35. Without prejudice to SEW's obligation to provide the Supply at the required pressure (as that obligation is qualified under this agreement), SEW shall be entitled to operate SEW's Water Supply System and/or to fulfil its function as a water undertaker at its discretion and in accordance with Good Industry Practice and SEW may without limitation:
 - 35.1. supply water at the Supply Point at different rates of flow or pressures at different times or over time (including any reduction in pressure in SEW's Water Supply System as a result of increasing demand elsewhere on SEW's Water Supply System);
 - 35.2. make alterations to SEW's Water Supply System, its configuration or operation (including any pressure management, growth investment, rezoning or interconnectivity) that may result in decreases or increases in the pressure in SEW's Water Supply System and at the Supply Point;

but SEW shall notify NAV before making any durable change to SEW's Water Supply System which is likely to result in a material increase or decrease in the rate of flow or pressure in SEW's Water Supply System and/or at the Supply Point.
36. Nothing in this agreement, shall in any way limit SEW's discretion to perform its functions as a water undertaker in such a way as it determines is the most appropriate in order to comply with its duties as a water undertaker.
37. Where there is an Alternative Supply Point, SEW shall own and be solely responsible for operating and maintaining the Alternative Supply Point and NAV shall not:
 - 37.1. interfere in any way with the operation of any valve or other apparatus at the Alternative Supply Point;

or
 - 37.2. operate the same except with the prior consent of SEW.

Operation of NAV's Water Supply System

38. NAV shall carry out its functions as a water undertaker for the Site in accordance with Good Industry Practice having regard in particular to avoiding any risk of contamination of the Supply and of backflow into SEW's Water Supply System or any other action that would or would be likely to have an adverse effect on SEW's Water Supply System.
39. NAV shall be responsible for managing at its own cost its Water Supply System to accommodate any increase in pressure that may result from changes to SEW's Water Supply System implemented by SEW as permitted under clauses 35 to 37.
40. NAV shall give SEW reasonable details of any anticipated change that will or is likely to result in an increase in the demand from the Site and/or in the Maximum Rate of Flow becoming insufficient to meet the demand on the Site (and in particular of any plan for the construction of new premises on the Site or for the change of use and consumption of any premises on the Site) as soon as reasonably practicable after becoming aware of the anticipated change and shall continue to provide reasonable details to SEW as they become available to NAV.

Section 6. Planned and unplanned events

Planned events on SEW's Water Supply System

41. SEW shall be entitled to interrupt or reduce the Supply and/or decrease the water pressure to below the minimum standard of pressure required in this agreement in relation to or as a consequence of SEW's maintenance, repair, replacement and inspection of its Water Supply System and shall have no liability to NAV for doing so subject to its obligations to restore the Supply under clause 48. SEW shall use reasonable endeavours to minimise any such planned interruption or reduction in the Supply and/or decrease in pressure.
42. SEW shall notify NAV of any planned interruption to or reduction of the Supply and/or of any decrease in the water pressure to below the minimum standard of pressure required in this agreement as a consequence of SEW's maintenance, repair, replacement and/or inspection of its Water Supply System in accordance with the provisions of this agreement.
43. SEW shall notify and inform NAV of any planned events by electronic means using SEW's wholesale portal automatic notification system and NAV shall be responsible for registering with this system in order to receive the notifications as appropriate.
44. The parties shall follow the provisions of Schedule 4 in relation to relevant planned events.

Unplanned events on SEW's Water Supply System

45. SEW shall be entitled to interrupt or reduce the Supply and/or decrease the water pressure to below the minimum standard of pressure required in this agreement and it shall have no liability to NAV for doing so subject to its obligations to restore the Supply under clause 48, if SEW's ability to provide the Supply is affected by any of the following:
 - 45.1. breakdown, blockage, defect, fault or failure of plant, equipment, apparatus, pipes, structures or facilities forming part of its Water Supply System;

- 45.2. shortage of, or limitation on the use of, water arising from weather or environmental conditions such as drought including under a Drought Order;
 - 45.3. deficiency in the quantity of water available for supply;
 - 45.4. a water quality incident, any civil emergency, any national security event, or other event in respect of which SEW implements an emergency plan; or
 - 45.5. any pollution, any unplanned discharge or any flooding.
46. Each party shall comply with any reasonable instruction given to it by the other party in the course of managing any unplanned event (including quality incidents or any pollution incidents) affecting that other party's Water Supply System.
47. SEW shall notify NAV of any unplanned event or incident affecting the Supply as soon as reasonably practicable. SEW may make such notification by electronic means using SEW's wholesale portal automatic notification system and NAV shall be responsible for registering with this system in order to receive the notification as appropriate. The parties shall also follow the provisions of Schedule 4 in relation to relevant unplanned events and incidents (including in relation to notification and exchange of information).

SEW's obligation to restore the Supply

48. Where the Supply is interrupted or reduced or the water pressure is decreased to below the minimum standard of pressure required in this agreement due to a planned or unplanned event, SEW shall restore the Supply as soon as reasonably practicable in accordance with Good Industry Practice and having regard to the specific characteristics of the event and of prevailing operational circumstances in its Water Supply System and:
- 48.1. by the time and date specified in any notice served to NAV stating when the supply is to be restored;
 - 48.2. within 48 hours after if first became aware of the interruption because of a leak or burst in a Strategic Main; or
 - 48.3. within 12 hours after if first became aware of the interruption due to an unplanned event other than a leak or burst in a Strategic Main.

Exclusive obligations of SEW

49. The parties agree that compliance by SEW with its obligations to notify NAV and keep NAV informed of any planned or unplanned event and to restore the supply within the times set out in clause 48 shall also satisfy all other similar obligations it may have under any enactment or otherwise. For the avoidance of doubt, the parties agree that for the purpose of this clause and this agreement generally, NAV shall not be a "consumer" vis-à-vis SEW as this term is defined in section 93 of the Act for the purpose of section 60 of the Act, nor shall it be a "customer" vis-à-vis SEW as this term is defined in section 219 of the Act and regulation 4 of the GSS Regulations for the purpose of the GSS Regulations, and further agree that they shall not apply between themselves the provisions of the GSS Regulations (including that SEW shall not have any obligation to make any payment to NAV under the GSS Regulation as an English wholesaler as that term is defined in the GSS Regulations). NAV waives any right it might have to any other form of notification or information under the Act, the GSS Regulations or any other enactment and agrees that it shall not bring or pursue any claim for any failure of SEW to notify NAV under any obligation of notification or information other than those set out in this agreement. This clause does not affect any compensation that may be payable by SEW in circumstances where an obligation of NAV to make payment to its customers under the

GSS Regulations has arisen as a result of any event or incident on SEW's Water Supply System as provided elsewhere in this agreement. This clause does not affect the obligation of SEW to provide an Emergency Supply.

Emergency Supply by SEW

50. Where the Supply is interrupted as a result of or in connection with a planned event or unplanned event on SEW's Water Supply System, and the duration of the interruption is such that SEW would be required to provide an emergency supply to premises located in its own area of supply experiencing a similar interruption in order to meet its statutory obligations as a water undertaker, then SEW shall provide at its own cost an Emergency Supply to NAV in the same manner and within the same time as it would provide to premises located in its own area of supply at the location within the Site determined under any plan prepared between the parties in accordance with the provisions of Schedule 4 or as otherwise agreed between them.
51. Where there is an Alternative Supply Point, SEW may, having first consulted NAV, choose to provide the Emergency Supply or part of it as a piped supply through the Alternative Supply Point having regard to the following relevant considerations but SEW shall determine in its absolute discretion whether or not to make a piped Emergency Supply and shall have no obligation to do so (without prejudice to SEW's obligation to provide an Emergency Supply by other means). The relevant considerations are whether:
- 51.1. providing a piped Emergency Supply would or would be likely to:
 - 51.1.1. cause SEW to breach any of its statutory obligations or fail to meet any of its Service Standards;
 - 51.1.2. create a risk that any supply of water does not remain wholesome or fit for water consumption; or
 - 51.1.3. affect the ability of SEW to manage the event affecting its Water Supply System or any planned event or to respond to any other actual or potential unplanned event;
 - 51.2. there is a risk of contamination of SEW Water Supply System; or
 - 51.3. there is insufficient capacity in SEW's Water Supply System.
52. When SEW provides an Emergency Supply or part of it as a piped supply through an Alternative Supply Point, it shall determine in its reasonable opinion the quantity and pressure that is available and can be provided (taking into account the needs of the other persons to whom SEW provides supplies and the need to ensure that the Emergency Supply and any other supply of water remains wholesome and fit for human consumption and complies with the requirements of the Water Quality Regulations) and shall have no obligation to provide any minimum quantity, flow or pressure and shall be able to reduce or interrupt the piped Emergency Supply to meet its own operational and compliance requirements.

Assistance Supply by SEW

53. Where there is an operational incident on NAV's Water Supply System that prevents the use of the Supply or that would or would be likely to affect the quality of the water from the Supply, SEW shall if requested by NAV (provided that the confirmation required under clause 57 has been provided to SEW by NAV), provide an Assistance Supply as soon as reasonably practicable following the request from NAV at the location within the Site determined between the parties in accordance with the provisions of Schedule 4 or as otherwise agreed between them, provided that in the reasonable opinion of SEW none of the following conditions are met at the time of the request by NAV or would be met if SEW provided the Assistance Supply:

- 53.1. Providing the Assistance Supply will or is likely to:
- 53.1.1. cause SEW to breach any of its statutory obligations or fail to meet any of its Service Standards;
 - 53.1.2. create a risk that any supply of water does not remain wholesome or fit for water consumption; or
 - 53.1.3. affect the ability of SEW to manage any planned event or to respond to any actual or potential unplanned event;
 - 53.1.4. There is a risk of contamination of SEW Water Supply System; or
 - 53.1.5. There is insufficient capacity in SEW's Water Supply System.
54. If SEW concludes that any of the conditions referred to above are met and that it is not able to provide the Assistance Supply or is only able to meet part of the requirements of NAV's, it shall inform NAV's as soon as reasonably practicable and where SEW is able to meet part of the requirements of NAV, SEW shall provide the Assistance Supply to the extent it is able to and the parties shall continue to coordinate their response until the event has ended.
55. Where there is an Alternative Supply Point, SEW may, having first consulted AI, choose in its absolute discretion to provide the Assistance Supply or part of it as a piped supply through the Alternative Supply Point, but SEW shall have no obligation to do so without prejudice to any obligation SEW may have to provide an Assistance Supply by other means.
56. When SEW provides an Assistance Supply or part of it as a piped supply through an Alternative Supply Point, it shall determine in its reasonable opinion the quantity and pressure that is available and can be provided (taking into account the needs of the other persons to whom SEW provides supplies and the need to ensure that the Assistance Supply and any other supply of water remains wholesome and fit for human consumption and complies with the requirements of the Water Quality Regulations) and shall have no obligation to provide any minimum quantity, flow or pressure and shall be able to reduce or interrupt the piped Assistance Supply to meet its own operational and compliance requirements. Where SEW determines in accordance with this agreement that it will not provide or will reduce or discontinue a piped Assistance Supply it shall still if requested by NAV provide an Assistance Supply by other means subject to the provisions of clause 53.
57. NAV shall confirm to SEW every year no later than on 31 March whether or not it wishes to rely on the right to request an Assistance Supply under this agreement in the following Charging Year in order to allow SEW to include this requirement into its planning and operational arrangements.

Compliance with SEMD obligations

58. To ensure compliance of the parties with their respective obligations under section 208 of the Water Industry Act and with the Security and Emergency Measures Direction and related guidance and in particular for the purpose of preparing and implementing plans for the provision of essential water supply in case of civil emergency or any event threatening national security, and to ensure that SEW is able to comply with its obligation to provide an Emergency Supply under this agreement the parties shall consult with each other to ensure that their plans are complementary and coordinated.

Section 7. Water quality

59. Subject to Section 6 and Section 16, SEW shall ensure in respect of the Supply (and any piped Emergency Supply and any piped Assistance Supply) that:

- 59.1. it complies with its duties under section 68 of the Act and the Water Quality Regulations; and
- 59.2. that the water supplied is wholesome at the Supply Point or, where applicable, at the Alternative Supply Point (and beyond in the circumstances specified in section 68(3) of the Act relating to prescribed steps for the purpose of securing the elimination, or reduction to a minimum, of any prescribed risk that the water would cease to be wholesome after leaving the undertaker's pipes),

subject to the terms of any undertakings or authorised departure from any prescribed requirement from time to time under the Act or the Water Quality Regulations between SEW and the Secretary of State or the Drinking Water Inspectorate.

60. Without prejudice to the provisions of Schedule 4, where any undertaking or authorised departure applies in respect of any water supplied by SEW, SEW shall inform NAV of the same as soon as reasonably practicable and provide a copy of the same if requested by NAV.

61. Without prejudice to SEW's obligations in respect of water quality, SEW reserves the right during the Term to supply water of a different nature and composition or with different chemical characteristics from that previously supplied where this results from the characteristics of the source or combination of sources from which the Supply is taken or changes to SEW's Water Supply System or other operational changes carried out in accordance with Good Industry Practice and SEW does not warrant that the Supply will be fit for any particular purpose by NAV's or any of NAV's customers.

62. Without prejudice to SEW's obligations to provide information to NAV under any enactment, SEW shall provide to NAV as soon as reasonably practicable:

62.1. Information kept by SEW under regulation 34 of the Water Quality regulations to enable NAV to comply with its own obligations under that same regulation and under the Water Industry (Suppliers' Information) Direction 2012 (and in particular under paragraph 5 "annual provision of information") as reasonably requested by NAV;

62.2. copy of any notice sent by SEW under regulation 18(5) and 19(2) of the Water Quality Regulations;

62.3. Information on any event affecting the Supply (or if applicable any piped Emergency Supply or piped Assistance Supply) that may be reasonably required by NAV in order to comply with its own obligations regarding the reporting of events under the Water Industry (Suppliers' Information) Direction 2012 except to the extent permitted by law any information that may be legally privileged;

62.4. water quality details (including water quality tests and analyses carried out for compliance purposes pursuant to the Water Quality Regulations) relating to the Supply or any piped Emergency Supply or piped Assistance Supply covering matters referred to in schedule 4 of the Water Quality Regulations as soon as reasonably practicable on SEW becoming aware that any water supplied or to be supplied does not conform to the requirements of the Water Quality Regulations or otherwise as reasonably required by NAV.

62.5. SEW and NAV shall follow the water quality protocol set out in Schedule 4 in relation to any relevant planned or unplanned event.

Section 8. Metering

63. The Supply shall be measured by the meter(s) at the Supply Point and any piped Assistance Supply shall be measured by the meter(s) at the Alternative Supply Point.

Responsibility for the meter(s)

64. SEW shall:

64.1. provide, maintain, repair and,

64.2. either routinely or where faulty or failing to register within the Prescribed Limits of Error, replace the meter(s).

65. The meter(s) and any replacement meter(s) shall remain the property of SEW.

Type and size of meter(s)

66. The meter(s) shall be of such type and size as is determined by SEW in accordance with Good Industry Practice to be appropriate to accurately measure the volume and rate of flow of the Supply having regard to the information provided by NAV on the estimated demand from the Site and to the extent practicable the volume of any piped Assistance Supply.

Change of size and/or type

67. If it becomes necessary or desirable to replace a meter measuring the Supply because the actual volume or rate of flow differs significantly from the volume or rate of flow estimated by NAV such that the volume of water and/or rate of flow cannot be accurately measured by the meter installed by SEW, then SEW may, or if requested by NAV shall, replace the meter (which shall include any necessary change of location) with a meter of a different size and/or type in order to ensure that the volume and rate of flow of the Supply can be measured accurately, and NAV shall pay SEW the relevant Non-primary Charges in respect of the replacement except if a meter to be replaced has exceeded the manufacturer's recommended useful life in which case there shall be no charge in respect of the replacement works. The Non-primary Charges applied by SEW for the replacement works including any ancillary charges such as survey, missed appointment and/or cancellation charges shall be as set out in SEW's Wholesale Tariff Document.

68. If SEW determined that a meter measuring the Supply is no longer of the appropriate sized or type for any reason other than those set out in the previous clause, SEW shall replace the meter (which shall include any necessary change of location) with such other meter of the appropriate type and size at its own costs.

Testing of meters

69. SEW shall at the request of NAV carry out or procure either (i) an onsite meter testing without removal of the meter in the presence of NAV if NAV requests to be present, or (ii) an offsite meter testing by an approved test centre.

70. The activities and works to be carried out by SEW and NAV in relation to the offsite testing of the meter and any charge payable by NAV to SEW shall be as set out in SEW's Wholesale Tariff Document (where any reference to retailer equipment shall be read as references to the equipment of NAV, if any), provided that notwithstanding anything to the contrary in the Wholesale Tariff Document there shall be no charge if the meter is found not to register within the Prescribed Limits of Error.

Inaccuracy and Tampering

71. Each party shall report to the other, as soon as reasonably practicable, any evidence coming to its attention (whether in the course of meter reading or otherwise) of:

71.1. a meter failing to record accurately the volume of water supplied within the Prescribed Limits of Error; or

71.2. any person tampering or damaging any meter installed at a Supply Point or any Alternative Supply Point (including breaking any seal affixed to the meter).

NAV equipment

72. If it is feasible and not unduly impractical to install a device on the relevant meter and subject to the compatibility of any device or technology that NAV is proposing to use with the relevant meter and provided that no physical alteration of the meter installation (including any meter replacement, or any modification of the pipework or of the meter chamber or of any other apparatus belonging to SEW) is required, NAV may install its own logging device on a meter, provided that it shall first request the consent of SEW in writing specifying the nature of the device to be installed and the steps required for the installation (including any installation of ancillary equipment required to enable the installation of NAV's logging device) and the proposed installation date. SEW shall not unreasonably withhold or delay its consent but NAV may not rely on SEW's consent unless it has been given in writing and such consent may be subject to such reasonable conditions as SEW considers appropriate.

73. Where a logging device belonging to SEW is already installed or forms part of the meter, If it is feasible and not unduly impractical to install a device on the relevant meter and subject to the compatibility of any device or technology that NAV is proposing to use with the relevant meter, NAV may subject to the consent of SEW install a splitter cable and any ancillary equipment necessary to install its own logging device at NAV's costs, or SEW may install the splitter cable and ancillary equipment if request by NAV.

74. If any physical alteration of the meter installation and/or a meter exchange is required to enable the installation of NAV's device (which may include any necessary relocation of the meter), SEW shall, but only if it has agreed to such alteration or exchange, carry out the alteration and/or replace the meter if requested by NAV.

75. Where SEW installs any splitter cable, ancillary equipment, carries out alterations and/or replaces a meter at the request of NAV, NAV shall pay the relevant charges to SEW (including any ancillary charges such as survey, missed appointment and/or cancellation charges) as set out in SEW's Wholesale Tariff Document.

76. Any NAV's equipment installed on the meter shall not belong to or form part of SEW's Water Supply System.

77. NAV shall indemnify SEW for any loss, damage, cost or expenses incurred by SEW arising from or in connection with any work carried out by NAV (or by NAV' contractor) for the installation of any NAV's equipment on the meter (including where any damage has been caused to SEW's meter or any other apparatus belonging to SEW or any other part of SEW's Water Supply System).

78. NAV shall not install its own meter, logging device or other equipment or make any alteration to any meter or other apparatus belonging to SEW or any other part of SEW's Water Supply System without the prior written consent of SEW.

Access to meters

79. Where it is not practicable to locate a meter within a Street or where a meter is located on land other than a Street and on the Site, NAV shall use reasonable endeavours to ensure that the meter is kept free from damage and is accessible to SEW at all reasonable times.

Section 9. Charges

Charges payable by NAV

80. In consideration for the performance of the SEW's Works and the provision of the Supply and of any Assistance Supply, NAV shall pay SEW in accordance with the provisions of this agreement:

- 80.1. the Estimated Capital Contribution (where applicable) and/or the Capital Contribution;
- 80.2. Any Estimated Additional Capital Contribution (where applicable) and/or any Additional Capital Contribution;
- 80.3. The Infrastructure Charges Amount;
- 80.4. The Supply Charge;
- 80.5. Any Assistance Supply Charge; and
- 80.6. Any Non-primary Charges.

Capital contribution charges

81. NAV shall pay:

- 81.1. the Estimated Capital Contribution (where applicable) or the Capital Contribution on or as soon as reasonably practicable after the date of signature of this agreement (but always before the Connection is made) and, where an Estimated Capital Contribution has been paid by NAV, any balance of the Capital Contribution in the manner and at the time set out in clauses 19 and 20; and
- 81.2. any Estimated Additional Capital Contribution (where applicable) or the Additional Capital Contribution (but always before any change to the Connection and/or any new Connection is made) and, where an Estimated Additional Capital Contribution has been paid by NAV, any balance of the Additional Capital Contribution in the manner and at the time set out in clause 33.
- 81.3. NAV shall be required to pay an Estimated Capital Contribution and/or an Estimated Additional Capital Contribution where SEW, acting reasonably, has informed NAV that it is not able to determine a fixed charge based on fixed costs components or fully based on fixed costs components and that instead estimated charges will be used, provided always that such estimated charges shall only be used by SEW in the circumstances which are specified in SEW's Charging Arrangements as justifying the use of estimated charges and shall be determined following the relevant principles set out in SEW's Charging Arrangements relating to estimated charges for the provision of water mains and connection of water mains.

81.4. For the avoidance of doubt if the amount of the Estimated Capital Contribution or of any Estimated Additional Capital Contribution is greater than the final actual Capital Contribution or Additional Capital Contribution the balance shall be refunded by SEW to NAV as set out in clauses 19 and 20.

Infrastructure charges

82. NAV shall during the term of this agreement, set the Infrastructure Charges in a charges scheme (or as otherwise required under any law or any charging rules issued by Ofwat) and demand and recover the Infrastructure Charges in respect of each of the premises liable to pay them to NAV. If at any time during the term, compliance with this obligation would result in a breach by NAV of any of its legal or statutory obligations, NAV shall inform SEW as soon as becoming aware of that fact and the parties shall negotiate in good faith an alternative method that ensure outcomes as similar as reasonably practicable to those initially set out in this clause and if the parties fail to reach agreement any party may initiate the dispute resolution procedure set out in Section 21.

83. NAV shall provide SEW every quarter the information set out below in order to allow SEW to determine the Infrastructure Charges Amount corresponding to the amount of Infrastructure Charges to be collected by NAV in respect of each of the premises on the Site that have been connected in the relevant quarter (or in respect of which the Infrastructure Charges had not previously been collected by NAV):

83.1. The number and addresses of premises connected to NAV's Water Supply System in the relevant period;

83.2. The number and types of water fittings for the purpose of calculating the Relevant Multiplier for any relevant premises; and

83.3. Any other information that may reasonably be requested by SEW in order to calculate the Infrastructure Charges Amount.

84. Following receipt of the information mentioned above, SEW shall calculate the Infrastructure Charges Amount in respect of the relevant premises and issue an invoice to NAV for that amount showing the individual Infrastructure Charges for each of the relevant premises to be collected by NAV. NAV shall pay the invoice in accordance with the provisions of Section 12.

Supply Charge

Calculation of the Supply Charge

85. The Supply Charge shall be the aggregate of:

85.1. a volumetric charge:

85.1.1. based on a rate determined in accordance with the provisions of Schedule 2 for each cubic metre of water recorded by the meter(s) at the Supply Point (including any water lost by leakage or waste); or

85.1.2. estimated in accordance with this agreement; and

85.2. a fixed standing charge for the relevant type of meter as set out in SEW's Wholesale Tariff Document.

Invoicing for the Supply Charge

86. SEW shall issue invoices for the Supply Charge monthly.

Assistance Supply Charge

Assistance Supply that is a piped supply

87. The Assistance Supply Charge shall, to the extent that it is a piped supply, be:

87.1. a volumetric charge:

87.1.1. based on a rate (determined in accordance with the provisions of Schedule 2) for each cubic metre of water recorded by the meter(s) at the Alternative Supply Point (including any water lost by leakage of waste); or

87.1.2. estimated in accordance with this agreement; and

87.2. the cost reasonably incurred by SEW including reasonable staff and management time spent in setting up, operating and cutting off the Assistance Supply and overheads.

Assistance Supply that is not a piped supply

88. Where an Assistance Supply or part of it is provided by SEW other than as a piped supply (including bottled water or bowser) NAV shall pay SEW the costs reasonably incurred by SEW in providing the Assistance Supply or the relevant part of it including reasonable staff and management time spent in managing and coordinating the delivery of the Assistance Supply and overheads.

Invoicing of the Assistance Charge

89. Where there has been an Assistance Supply SEW shall include the Assistance Supply Charge in a subsequent invoice for the Supply Charge.

Non-Primary charges

90. NAV shall pay the Non-primary Charges that may become payable under this agreement as set out in SEW's Wholesale Tariff Document or following acceptance of a quotation in respect of any other ad-hoc services that may be required by NAV and that SEW has agreed to provide to NAV during the Term.

91. SEW shall issue invoices for Non-Primary Charges following completion of the relevant works or services. SEW shall ensure that each invoice for Non-Primary Charges contains or is accompanied with appropriate details and breakdown of the works or services provided by SEW.

92. SEW shall provide such other information as may reasonably be required by NAV to substantiate the invoice.

Section 10. Payment of Income Offset

93. Following completion of the construction of the On-Site Main or of each Phase of the On-Site Main, NAV shall as soon as reasonably practicable provide to SEW sufficient information to enable SEW to calculate the Income Offset in accordance with SEW's Charging Arrangements in respect of the On-Site Main or that Phase (as applicable) including without limitation:

93.1. the number and types of premises actually constructed on the Site up to the completion date that are or will be connected to the On-Site Main or the Phase and, where available, the date of actual occupation or planned occupation of these premises; and

- 93.2. an up to date rate of occupation in respect of any premises to be connected to the On-Site Main or the Phase which are not completed at the date of completion of the On-Site Main or Phase, and the estimated date of completion of construction and of occupation of these premises; and
- 93.3. any other information relevant to ascertaining the expected water consumption of these premises; and
- 93.4. as laid drawing of the On-Site Main or of the Phase of the On-Site Main (to allow SEW to determine the costs of the works in accordance with its Charging Arrangements); and
- 93.5. at the election of NAV and where relevant to the calculation by SEW of the cost of the works that it would have carried out had SEW laid the On-Site Main or the Phase, information on actual costs incurred by NAV including actual costs corresponding to costs that SEW would have determined to be estimated rather than fixed costs in accordance with the principles set out in SEW's Charging Arrangement; and
- NAV shall promptly provide, or procure the provision to SEW of, other information, supporting evidence and documentation that SEW may reasonably require relating to the information set out above for the purpose of calculating the Income Offset.
94. If NAV is unable on completion of the construction of the On-Site Main or of any Phase of the On-Site Main to provide the information set out in clauses 93 above to SEW or if due to the programme of development of the Site there is insufficient information available at the relevant time to ascertain the number, types, dates of construction and occupation of some or all of the premises on the Site and/or their expected water consumption, or if the information provided by NAV under clause 93 is in the reasonable opinion of SEW (having regard to data available to SEW on typical construction and occupation rates on development sites within its area) incomplete or inaccurate, SEW shall acting reasonably (and having regard to any supporting information provided by NAV) make its own assessment of the revenue to be derived from the On-Site Main or the Phase for the purpose of calculating the Income Offset.
95. SEW shall calculate the Income Offset in accordance with its Charging Arrangements using the information provided in accordance with clause 93 or determined in accordance with clause 94 above and notify the amount of the Income Offset with a copy of the calculation to NAV within a period of 10 Working Days commencing on the date on which all the relevant information is available to the reasonable satisfactions of SEW.
96. Within a period of 10 Working Days commencing on the date of receipt of the notification of the amount of the Income Offset from SEW, NAV shall review the calculation, raise any queries and notify whether the amount of the Income Offset is accepted or disputed. If NAV accepts the amount of the Income Offset, NAV shall issue an invoice for the corresponding amount to SEW which shall be paid by SEW in accordance with the provisions set out in Section 12 (where references to NAV shall be read as references to SEW and references to SEW shall be read as references to NAV). If NAV disputes the amount of the Income Offset, the provisions of Section 21 shall apply but NAV shall still be entitled to issue an invoice for the amount of the Income Offset notified by SEW provided that it shall before or at the same time as the invoice is sent to SEW (but not after) notify SEW that it disputes the amount of the Income Offset. If NAV fails to notify SEW that it disputes the amount of the Income Offset within the period of 10 Working Days set out at the beginning of this clause NAV shall be deemed to have irrevocably accepted the amount of the Income Offset notified by SEW.

Section 11. Meter readings and estimates

Meter reading frequency

97. SEW shall read the meter(s):

97.1. monthly for the purpose of charging for the Supply; and

97.2. when commencing and ending any piped Assistance Supply for the purpose of charging for any piped Assistance Supply; and

the readings from the meter(s) (or the volume registered by the meter(s) when there is no dial) measuring the Supply and any piped Assistance Supply shall be used for determining the water charges payable by NAV to SEW under this agreement.

Meter reading evidence of volume

98. The volume of water registered by the meter(s) shall be evidence of the volume of water supplied by SEW (without deduction for any water lost by leakage or waste) subject to the following provisions of this section.

Estimated reading if the meter registers incorrectly

99. If any meter is found not to record the volume of water of the Supply or of any piped Assistance Supply within the Prescribed Limits of Error or at all, the volume supplied shall be estimated for the purpose of determining the Supply Charge and/or the Assistance Supply Charge in accordance with the following:

99.1. In respect of the Supply:

99.1.1. Where the meter is found not registering within the Prescribed Limits of Error, it shall be deemed to have stopped registering correctly from the day after the monthly cyclic meter reading (for charging purposes) that precedes the monthly cyclic meter reading (also for charging purposes) that was taken immediately before the meter was found not to register within the Prescribed Limits of Error, and an estimated volume shall be used for the period commencing on the day the meter is deemed to have stopped registering correctly and ending on the day the meter was repaired or replaced;

99.1.2. Where the meter has stopped registering, an estimated volume shall be used for the period commencing on the day after the last available complete daily dataset from the meter and/or logger and ending on the day the meter was repaired or replaced;

99.2. The estimated volume shall be determined:

99.2.1. using the average daily volume of water supplied in the same period as the relevant period described above in the previous calendar year; or

99.2.2. where the data for the same relevant period in the previous calendar year is not available, the daily average volume of water supplied since the installation of the meter that was found to be defective.

99.3. In respect of any piped Assistance Supply an estimated volume as agreed between the parties taking account of the duration of the supply and other information available on pressure and flow supplied.

100. If SEW is prevented from taking a monthly cyclic read in respect of the Supply by circumstances beyond its control (including where access has been obstructed on more than one occasion), SEW may estimate the volume supplied for the purpose of determining the Supply Charge, provided that SEW shall use reasonable

endeavours to ensure that there shall not be two successive estimates, and an estimated volume shall be used for the period commencing on the day after the previous cyclic meter read and ending on the day the cyclic read would have normally been taken.

101. Where an estimated volume has been used by SEW to calculate the Supply Charge in a month when the meter is operating correctly, an adjustment to the Supply Charge shall be made by SEW in the next monthly invoice to take account of any difference between the estimated volume and the volume obtained from the actual meter reading(s).

Section 12. Payment provisions

Payment of Invoices

102. NAV shall pay all sums properly due and payable to SEW under this agreement in cleared funds by no later than thirty (30) days after the date of a validly issued invoice for such sums.

103. NAV shall make any payments due to SEW without any deduction whether by way of set-off, counterclaim, discount, abatement or otherwise unless NAV has a valid court order requiring an amount equal to such deduction to be paid by SEW to NAV, or unless it is otherwise required by law or to the extent permitted by clause 104.

104. If following receipt of an invoice from SEW, NAV notifies SEW in writing of a dispute made in good faith concerning the sums payable under such invoice (indicating in such notice the basis for disputing the invoice and the amount(s) in dispute), then SEW shall provide the information reasonably requested by NAV and if the disagreement persists the procedure set out in Section 21 shall apply, but NAV shall not withhold payment of the undisputed part of the invoice.

VAT and taxes

105. All sums due to SEW under this agreement are exclusive of VAT and subject to receipt of a valid VAT invoice, NAV shall pay all VAT and/or any other tax on such sums at the rate and in the manner prescribed by law from time to time.

Late payment

106. If a party fails to pay any sums due to the other under this agreement by the due date for payment, then, without limiting the other party's remedies under this agreement, the defaulting party shall pay interest on the overdue amount at the rate of 4% per annum above HSBC Bank's base rate from time to time. Such interest shall accrue on a daily basis from the due date until actual payment of the overdue amount, whether before or after judgment and shall be compounded annually. Where a payment is disputed in good faith, interest shall only be payable after that payment is found or agreed to be due, and such interest shall accrue on a daily basis from the original due date until actual payment, whether before or after judgement and shall be compounded annually. The defaulting party shall pay the interest together with the overdue amount.

Section 13. Access to metering data

107. SEW shall provide NAV:

107.1. copy of the data recorded by any logging device installed by SEW on the meter(s) or being part of the meter(s) measuring the Supply at the same frequency as is used by SEW for its own purposes or such other frequency as is agreed from time to time between SEW and NAV provided that NAV shall pay SEW any additional set up and ongoing costs incurred by SEW as a result of providing the data at the specific frequency required by NAV; or

107.2. subject to NAV paying any costs reasonably incurred by SEW in order to allow access by NAV to any system or data (including any system setup and appropriate security measures) and any reasonable charge to SEW (as set out in SEW's Wholesale Tariff Document or such other equivalent reasonable charges in respect of any specific arrangement put in place for the purpose of this agreement) and/or to any third party provider and to NAV entering into any agreement that may be required by SEW and/or any third party provider, SEW shall provide NAV with access or procure such access by NAV to such technology owned or licensed to SEW as may be required to read the meter(s) and/or logging device(s) measuring the Supply (provided that such access to technology shall not include the provision of physical equipment by SEW to NAV).

Section 14. Drought and water resources management

Water resources management plans

108. Each party shall provide to the other such information as the other may reasonably require for the purpose of preparing or revising its water resources management plan.

Drought plans and drought

109. Each party shall provide to the other such information as the other may reasonably require for the purpose of preparing or revising its drought plan.

110. If SEW applies any temporary ban on use of water under section 76 of the Act (or any other equivalent provision) where it thinks that it is experiencing or may experience a serious shortage of water for distribution in areas surrounding the Site, NAV shall implement the same temporary ban on use until SEW revokes its temporary ban. NAV shall take all steps necessary to give effect to this clause at NAV's own costs. SEW shall give NAV reasonable notice of its intention to apply any temporary ban where it expects NAV to comply with the provisions of this clause and provide any information reasonably requested by NAV in order to comply with its obligations under this clause.

111. If SEW applies for any ordinary drought order or emergency drought order as defined in section 73 of the Water Resources Act 1991, for the purpose of applying any restrictions on use on its customers in an area surrounding the Site, NAV shall apply for a similar order for the purpose of applying at least the same restrictions on the Site as those applied for by SEW and take all necessary steps to give effect to this clause at NAV's own cost. SEW shall give NAV reasonable notice of its intention to apply for any ordinary or emergency drought order where it expects NAV to comply with the provisions of this clause and provide any information reasonably requested by NAV in order to comply with its obligations under this clause.

112. NAV shall ensure that its drought plans to the extent they relate to the Site are consistent with its obligations under this section and the drought plans of SEW.

Section 15. Contract management and change management

Contract managers and annual review meetings

113. Each party shall at all times during the Term ensure that it has appointed a Contract Manager who shall be the primary point of contact in relation to this agreement during working hours (except where the processes referred to in Schedule 4 for the management of events are activated) and shall communicate relevant contact details to the other party without delay.

114. The SEW's Contract Manager and NAV's Contract Manager shall attend annual meetings to review the performance of this agreement and in particular the arrangements put in place between the parties for the notification and management of unplanned events and any other meeting that may be reasonably requested by any party in relation to the performance of this agreement.

Cooperation between the parties

115. Each party shall co-operate with the other and provide the other party such information and assistance the other party may reasonably require in order to comply with its obligations under this agreement or its obligations as a water undertaker.

Variations and change control procedure

116. Except where set out otherwise in this agreement, no variation of this agreement shall have effect unless it is made in accordance with the change control procedure set out in Schedule 5 and no variation of this agreement shall be effective unless it is in writing and signed by the parties (or their authorised representatives).

117. Any party may request a review of this agreement with a view to vary its terms:

117.1. at any time after there has been in the reasonable opinion of that party a significant change in the legislative and/or regulatory regime pertinent to this agreement;

117.2. on each tenth anniversary of the commencement of this agreement where in the reasonable opinion of that party changes in circumstances require a variation to the terms of this agreement;

and any change shall be made and agreed in accordance with the change control procedure set out in Schedule 5.

Section 16. Force majeure

118. If a party is prevented, hindered or delayed in or from performing any of its obligations under this agreement by a Force Majeure Event (the "Affected Party"), the Affected Party shall not be in breach of this agreement or otherwise liable for any such failure or delay in the performance of such obligations. The time for performance of such obligations shall be extended accordingly and any corresponding obligations of the other party will be suspended, and the time for performance of such obligations extended, to the same extent as those of the Affected Party.

119. The Affected Party shall use all reasonable endeavours to mitigate the effect of the Force Majeure Event on the performance of its obligations including by activating its relevant contingency plan(s).

120. If the Force Majeure Event prevents, hinders or delays the Affected Party's performance of its obligations for a continuous period of more than 2 months, the party not affected by the Force Majeure Event may terminate this agreement by giving not less than 2 month's written notice to the Affected Party.

121. In this section, a Force Majeure Event means any circumstance not within a party's reasonable control including, without limitation:

- a) acts of God, flood, earthquake or other natural disaster;
- b) epidemic, pandemic or epizootic;
- c) terrorist attack, civil war, civil commotion or riots, war, threat of or preparation for war, armed conflict, imposition of sanctions or embargo;
- d) cyber-attacks, software viruses and other data or IT security breach;
- e) nuclear, chemical or biological contamination or sonic boom;
- f) requirement of any law or any action taken by a government or public authority, including without limitation imposing an export or import restriction, quota or prohibition;
- g) collapse, fire, explosion or accident affecting any operational site or damage caused by third parties to any operational asset;
- h) any labour or trade dispute, strikes, industrial action or lockouts; and
- i) interruption or failure of utility service.

Section 17. Compliance obligations and policies

Anti-bribery and prevention of corruption

122. Each party shall:

122.1. comply with all applicable laws, statutes, regulations relating to anti-bribery and anti-corruption including but not limited to the Bribery Act 2010 (Relevant Requirements);

122.2. have and shall maintain in place throughout the term of this agreement its own policies and procedures, including adequate procedures under the Bribery Act 2010, to ensure compliance with the Relevant Requirements and will enforce them where appropriate;

122.3. promptly report to the other any request or demand for any undue financial or other advantage of any kind received by it in connection with the performance of this agreement; and

122.4. on request from the other party (the "Requesting Party") but not more frequently than once a year, certify to the Requesting Party in writing signed by an officer of the party receiving the request (the "Receiving Party"), compliance with this clause by the Receiving Party.

Anti-slavery and human trafficking

123. In performing their obligations under this agreement, the parties shall:

123.1. comply with all applicable anti-slavery and human trafficking laws, statutes and regulations from time to time in force including the Modern Slavery Act 2015; and

123.2. have and maintain throughout the term of this agreement its own policies and procedures to ensure its compliance and enforce them where appropriate; and

123.3. include in its contracts with its direct contractors and suppliers anti-slavery and human trafficking provisions that are at least as onerous as those set out in this clause.

124. Each party shall notify the other as soon as it becomes aware of:

124.1. any material breach of its anti-slavery policies and procedures; or

124.2. any actual or suspected slavery or human trafficking in a supply chain which has a connection with this agreement.

Compliance with law

125. Each party shall at all times carry out its obligations under this agreement and operate in compliance with all applicable laws.

Section 18. Confidentiality, EIR, FOI and intellectual property rights

Confidentiality

126. Each party undertakes that it shall not at any time during this agreement, and for a period of five years after termination or expiry of this agreement, disclose to any person any confidential information concerning the business, operations, affairs, customers, clients or suppliers of the other party, except as permitted by clauses 127 and 128 clauses 131 to 135.

127. Each party may disclose the other party's confidential information to its employees, officers, representatives or advisers (or where necessary those of its group companies) who need to know such information for the purposes of exercising the party's rights or carrying out that party's obligations under or in connection with this agreement.

128. Each party shall ensure that its employees, officers, representatives or advisers (or where necessary those of its group companies) to whom it discloses the other party's confidential information is made aware of and maintains the confidentiality of the information in accordance with this clause.

129. The receiving party will inform the disclosing party as soon as reasonably practicable upon becoming aware or suspecting that confidential information has been disclosed to an unauthorised person.

130. No party shall use any other party's confidential information for any purpose other than to exercise its rights and perform its obligations under or in connection with this agreement.

Mandatory disclosure to authorities and under EIR or FOI

131. Each Party may disclose information relating to this agreement including any confidential information of the other party obtained under or in relation to this agreement to any person, regulator, government body entitled to receive the information by law (including in response to a request made under the EIR and/or FOI), and/or by order of any court of competent jurisdiction or any competent judicial authority.

132. Before disclosing any information that is confidential information under clause 131, the receiving party shall (to the extent permitted by law) use reasonable endeavours to:

132.1. inform the disclosing party of the circumstances and the information that will be disclosed;

132.2. consult with the disclosing party with a view to agreeing the extent, manner and timing of the disclosure;

132.3. have regard to any representation from the disclosing party relating to the ability to rely on any exemption in the EIR and/or FOI; and

132.4. gain assurances as to confidentiality from the person to whom any confidential information is to be disclosed.

133. If the receiving party is unable to inform the disclosing party before the information is disclosed, the receiving party shall (to the extent permitted by law) inform the disclosing party of the circumstances of the disclosure and the information that has been disclosed as soon as reasonably practicable after the disclosure.

134. If the parties have agreed that any information that is confidential information may be exempted from disclosure pursuant to exemptions contained in the EIR and/or the FOI the receiving party shall not disclose the information if requested by the disclosing party who shall bear all the cost incurred by the receiving party in dealing with any challenge to the decision not to disclose the information.

135. If the receiving party refuses to disclose information in accordance with clause 134, it shall have no obligation to respond to an information notice or lodge an appeal against any decision by the Information Commissioner in relation to a request, unless the other party has agreed in writing to bear the costs of such response or appeal (including without limitation legal costs) prior to the response being made or appeal being lodged.

Intellectual property rights

136. Neither party shall have any right to use any of the other's names, logos or trademarks without the other party's prior written consent.

137. All intellectual property rights in all the materials produced by SEW in relation to this agreement (including without limitation all documents, drawings, reports, studies, surveys and specifications) are the exclusive property of SEW and its licensors. Nothing in this agreement shall transfer any intellectual property right in these materials to NAV. NAV shall have the right to use the materials produced by SEW for the sole purpose of this agreement and no other purpose.

Section 19. Liability and insurance

Limitation of liability

Losses not excluded or limited

138. This agreement and the following clauses of this section shall not limit or exclude the liability of any party for:

138.1. death or personal injury caused by its negligence;

138.2. fraud or fraudulent misrepresentation; or

138.3. breach of the terms implied by section 2 of the Supply of Goods and Services Act 1982 (title and quiet possession) or any other liability which cannot be limited or excluded by applicable law.

Severability

139. The parties agree that if any limitation or other provision contained or expressly referred to in this section is held to be invalid by any competent court, it will be deemed omitted to that extent, and if any party becomes liable for loss or damage to which that limitation or provision applied, that liability will be subject to the remaining limitations and provisions set out in this section.

Excluded losses

140. Neither party shall be liable to the other, whether in contract, tort (including negligence), for breach of statutory duty, or otherwise, arising under or in connection with this agreement for:

- a) loss of profits;
- b) loss of revenue, sales or business;
- c) loss of agreements or contracts;
- d) loss of anticipated savings;
- e) loss of or damage to goodwill; and
- f) any indirect or consequential loss.

141. The terms implied by sections 3, 4 and 5 of the Supply of Goods and Services Act 1982 (and other terms implied by statute) are to the fullest extent permitted by law, excluded from this agreement.

142. Each party agrees that it shall have no remedies in respect of any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this agreement. Each party agrees that it shall have no claim for innocent or negligent misrepresentation based on any statement in this agreement.

Maximum financial liabilities

Liability of SEW

143. SEW's total liability to NAV:

Damage to property

143.1. for all loss of or damage caused by SEW to the property or assets of NAV (including infrastructure, apparatus or equipment but excluding any loss, corruption or damage to software, data or information) shall be limited to Insert £amount (insert amount in words). (subject to indexation by CPI) per claim or series of related claims;

Loss of software data and system

143.2. for all loss, corruption or damage to software, data or information caused by SEW shall be Insert £amount (insert amount in words). (subject to indexation by CPI) per claim or series of related claims;

Breach of contract and other liabilities

143.3. In respect of all other claims, losses or damages whether in contract, tort (including negligence), for breach of statutory duty, or otherwise, arising under or in connection with this agreement shall be limited to:

143.3.1. The amount NAV becomes liable to pay or credit to its own customers under the GSS Regulations where NAV's liability to its customers has arisen as a result of an act or omission of SEW but excluding any payment made by NAV to its customers in excess of the amount required under the GSS Regulations applying all relevant exception set out in the GSS Regulations; or

143.3.2. In other cases, 100% (hundred per cent) of the average annual Supply Charges (calculated by reference to the charges in the successive periods of 12 months from the commencement of the Supply) paid by NAV under this agreement, or where NAV has not yet paid Supply Charges in respect of a full Charging Year Insert £amount (insert amount in words). in respect to all claims or series of related claims made by NAV in each year of this agreement (being a period of 12 months commencing on the commencement of the Supply or the anniversary of the commencement of the Supply).

Liability of NAV

144. NAV's total liability to SEW, in addition to NAV's obligation to pay the Charges in accordance with this agreement,

Damage property

144.1. for all loss of or damage caused by NAV to the property or assets of SEW (including infrastructure, apparatus or equipment but excluding any loss, corruption or damage to software, data or information) shall be limited to Insert £amount (insert amount in words). (subject to indexation by CPI) per event or series of related event;

Loss of data and system

144.2. for all loss, corruption or damage to software, data or information caused by NAV shall be Insert £amount (insert amount in words). (subject to indexation by CPI) per event or series of related event;

Breach of contract and other liabilities

144.3. In respect of all other claims, losses or damages whether in contract, tort (including negligence), for breach of statutory duty, or otherwise, arising under or in connection with this agreement shall be limited to:

144.3.1. The amount SEW's becomes liable to pay or credit to its own customers under the GSS Regulations where SEW's liability to its customers has arisen as a result of an act or omission of NAV but excluding

any payment made by SEW to its customers in excess of the amount required under the GSS Regulations applying all relevant exception set out in the GSS Regulations; or

- 144.3.2. In other cases, 100% (hundred per cent) of the average annual Supply Charges (calculated by reference to the charges in the successive periods of 12 months from the commencement of the Supply) paid by NAV under this agreement, or where NAV has not yet paid Supply Charges in respect of a full Charging Year ~~Insert £amount~~ (insert amount in words). in respect to all claims or series of related claims made by NAV in each year of this agreement (being a period of 12 months commencing on the commencement of the Supply or the anniversary of the commencement of the Supply).

Mitigation

145. Nothing in this section shall act to reduce or affect a party's general duty to mitigate its loss.

Notice of third party claims

146. Where a party becomes aware of any claim, difference, dispute or proceedings (actual or threatened) which it reasonably expects may lead to a liability of the other party under this agreement, it shall notify the other party as soon as reasonably practicable and shall provide such information as the other party may reasonably require and shall consult with the other party as to the conduct of such claim, difference, dispute or proceedings.

Insurance

147. Each party shall put in place and maintain for the duration of this agreement the following insurance policies with a reputable insurance company, providing for the payment of a sum up to the amounts stated below for any claim or series of claims arising out of a single event occurring during such period.

147.1. Public liability insurance with cover of not less than ~~Insert £amount~~ (insert amount in words). per claim;

147.2. Employer's liability insurance with cover of not less than ~~Insert £amount~~ (insert amount in words). per claim or such greater amount of cover as may be required by law.

148. Each party shall use reasonable endeavours not to take or fail to take any reasonable action, or (insofar as it is reasonably within its power) permit anything to occur in relation to it, which would entitle any insurer to refuse to pay any claim under any of the insurance policies maintained in accordance with clause 147.

149. Each party shall provide the other with a letter from its insurance broker if request confirming that it has valid insurance of the types and covering the amounts set out above.

Section 20. Termination and expiry

Termination

150. Without affecting any other right or remedy available to it, either party may terminate this agreement with effect from the time specified in the notice by giving written notice to the other party if:

150.1. the other party commits a material breach of any term of this agreement which breach is irremediable or (if such breach is remediable) fails to remedy that breach within a period of 60 days after being notified in writing to do so;

150.2. subject to any restriction under the Act that may be imposed under or in relation to any special administration order:

150.2.1. the other party suspends, or threatens to suspend, payment of its debts or is unable to pay its debts as they fall due or admits inability to pay its debts or is deemed unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986;

150.2.2. the other party commences negotiations with all or any class of its creditors with a view to rescheduling any of its debts, or makes a proposal for or enters into any compromise or arrangement with any of its creditors other than (being a company) for the sole purpose of a scheme for a solvent amalgamation of that other party with one or more other companies or the solvent reconstruction of that other party;

150.2.3. a petition is filed, a notice is given, a resolution is passed, or an order is made, for or in connection with the winding up of that other party other than for the sole purpose of a scheme for a solvent amalgamation of that other party with one or more other companies or the solvent reconstruction of that other party;

150.2.4. an application is made to court, or an order is made, for the appointment of an administrator, or if a notice of intention to appoint an administrator is given or if an administrator is appointed, over the other party;

150.2.5. the holder of a qualifying floating charge over the assets of that other party has become entitled to appoint or has appointed an administrative receiver;

150.2.6. a person becomes entitled to appoint a receiver over all or any of the assets of the other party or a receiver is appointed over all or any of the assets of the other party;

150.2.7. the other party suspends or ceases, or threatens to suspend or cease, carrying on all or a substantial part of its business.

151. This agreement shall terminate automatically:

151.1. on the termination of the appointment of NAV in respect of the Site; and

151.2. by an order made by the Authority under the Act.

Consequence of termination or expiry

152. Any provision of this agreement that expressly or by implication is intended to come into or continue in force on or after termination or expiry of this agreement shall remain in full force and effect.

153. Termination or expiry of this agreement shall not affect any rights, remedies, obligations or liabilities of the parties that have accrued up to the date of termination or expiry, including the right to claim damages in respect of any breach of the agreement which existed at or before the date of termination or expiry.

154. NAV shall immediately pay to SEW all of the SEW's outstanding unpaid invoices and interest and any other outstanding sums and in respect of supply or works provided but for which no invoice has yet been submitted, SEW be entitled to submit an invoice, which shall be payable immediately on receipt by NAV.

Section 21. Dispute resolution

155. Any dispute or difference between the parties at any time arising out of, under or in connection with this agreement (the "Dispute") shall be referred in the first instance to senior managers of the parties who will attempt in good faith to resolve the Dispute within a period of 20 Working Days commencing on the date of a request from any party to the other.

156. If the Dispute is not resolved within the period described in clause 155, and provided that the matter is not referred to the Water Services Regulation Authority for determination under the Act by any party, the parties will:

156.1. attempt to settle the Dispute by mediation in accordance with the latest version of the Centre for Dispute Resolution (CEDR) Model Mediation Procedure; and

156.2. If the parties do not agree on the mediation within a period of 15 Working Days commencing on the date a request for mediation from any party is received or if the Dispute is not resolved through mediation within a period of 3 months commencing on the initiation of mediation, (and subject to any reference to the Water Services Regulation Authority by any of the parties), the Dispute shall be finally resolved by the courts of England and Wales.

157. A party may at any time refer any Dispute to the Water Services Regulation Authority for determination under the Act for matters in respect of which the Water Services Regulation Authority has powers to make a determination in which case no other dispute resolution process shall be initiated by any party or continued, and provided that if mediation or arbitration has already been initiated in accordance with this section, the party who refers the matter to the Water Services Regulation Authority after the start of the mediation or arbitration (and before the end of the mediation or before the award of the single arbitrator) shall pay to the other party all the costs incurred by that other party in relation to the mediation or the arbitration.

Section 22. General provisions

Entire agreement

158. This agreement and the documents referred to in it constitute the entire agreement between the parties and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.

Assignment and transfers

159. Neither party shall assign, transfer, charge, mortgage or subcontract or dispose in any other manner of its rights and obligations under this agreement except under a transfer scheme made under the Act or for the purpose of or in connection with the financing of its business.

Severability

160. If any provision of this agreement is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision shall be deemed deleted. Any modification to or deletion of a provision under this clause shall not affect the validity and enforceability of the remaining provisions of this agreement.

161. If one party gives notice to the other of the possibility that any provision of this agreement is invalid, illegal or unenforceable, the parties shall negotiate in good faith to amend such provision so that, as amended, it is legal, valid and enforceable, and, to the greatest extent possible, achieves the originally intended commercial and legal objectives of the parties.

Waiver

162. A waiver of any right or remedy under this agreement or by law is only effective if given in writing and shall not be deemed a waiver of any subsequent breach or default.

163. A failure or delay by a party to exercise any right or remedy provided under this agreement or by law shall not constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict any further exercise of that or any other right or remedy. No single or partial exercise of any right or remedy provided under this agreement or by law shall prevent or restrict the further exercise of that or any other right or remedy.

Third party rights

164. A person who is not a party to this agreement shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this agreement (without prejudice to any power of the Water Services Regulation Authority to make determinations under the Act).

No partnership, joint venture or agency

165. Nothing in this agreement is intended to, or shall be deemed to, establish any partnership or joint venture between any of the parties, constitute any party the agent of another party, or authorise any party to make or enter into any commitments for or on behalf of any other party.

Set off

166. SEW may at any time, without notice to NAV, set off any liability of NAV to SEW against any liability of SEW to NAV, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under this agreement. Any exercise by SEW of its rights under this clause shall not limit or affect any other rights or remedies available to it under this agreement or otherwise.

Notices

167. Any notice or other communication given to a party under or in connection with this agreement shall be in writing and shall be:

- (a) delivered by hand or by pre-paid first-class post or other next Working Day delivery service at its registered office (if a company) or its principal place of business (in any other case); or
- (b) sent by email to the main contact(s) agreed by the parties in writing from time to time.

168. Any notice or communication shall be deemed to have been received:

- (a) if delivered by hand, on signature of a delivery receipt or at the time the notice is left at the proper address;
- (b) if sent by pre-paid first-class post or other next Working Day delivery service, at 9.00 am on the second Working Day after posting or at the time recorded by the delivery service.
- (c) if sent by email, at 9.00 am on the next Working Day after transmission.

Law and jurisdiction

169. This agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.

170. Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this agreement or its subject matter or formation (including non-contractual disputes or claims) without prejudice to any power of the Water Services Regulation Authority to make a determination under the Act.

This agreement has been entered into on the date stated at the beginning of it.

**For and on behalf of South East Water
Limited**

Name of signatory:

For and on behalf of Insert NAV full Name.

Name of signatory:

Schedule 1. Characteristics of the Supply

SUPPLY POINT NAME: Insert Name/Description of the supply point.

SUPPLY POINT IDENTIFICATION: Insert identification of the supply point.

CHARACTERISTICS

Supply Type: Water supply for domestic purposes as defined in section 218 of the Act.

Maximum Rate of Flow: A maximum authorised flow rate of insert maximum flow rate. litres per second measured at the Connection Point by the Meter.

Specific Conditions: Insert any specific condition/requirement relating to the supply point.

Note: insert additional tables for each additional supply point

Schedule 2. Charges

PART I - Volumetric rate for the Supply Charge

1. The volumetric rate used to calculate the Supply Charge shall be the standard volumetric rate for metered wholesale household water supplies in the relevant region (with a monthly meter reading frequency) in the relevant charging year (each charging year commencing on 1 April and ending on 31 March) as published by SEW in accordance with wholesale charging rules issued by Ofwat but applying the Discount.

For the avoidance of doubt the volumetric rate shall be calculated as follows:

$$(VR - D1) - ((VR - D1) \times L1)$$

Where:

- VR is the published wholesale household volumetric rate for relevant region and charging year.
- D1 is the avoided operational costs per cubic metre.
- L1 is the average leakage % for pipework between 0 and 10 years old

Initial Discount

2. The initial Discount from the period commencing on and including the commencement of the Supply under this agreement and ending on 31 March immediately preceding the next Review Charging Year (as this term is defined in Condition B of SEW's instrument of Appointment), shall be **Insert the amount in £ of the initial Discount..**

Revised Discount

Regular review following price control

3. For each subsequent period commencing on a Review Charging Year and ending on 31 March immediately preceding the following Review Charging Year, the Discount shall be determined in accordance with the provisions of this Schedule.
4. SEW shall review the Discount no later than one month before the 1 April following the date on which the relevant Price Control has been determined by Ofwat or by the CMA (as appropriate).
5. SEW shall update the assumptions and parameters used in the discounting model as described in this Schedule or where applicable use such alternative assumptions or parameters as have been introduced by Ofwat or the CMA in order to determine the relevant Price Control.
6. Subject to any change in the Price Control or other relevant regulatory change the following assumptions shall be revised by SEW:
 - a) Onsite Opex costs (£/m³) including any change to the activities and services provided by NAV and SEW in respect of the Site;
 - b) SEW average leakage

c) Or such equivalent values as may be used for the purpose of the relevant Price Control.

7. The review shall also include the assumption made in relation to activities and services carried out to determine the avoided opex costs based on current cost data and in particular cost data used for the purpose of the determination of the Price Control (provided that SEW shall be entitled to maintain the confidentiality of such data and shall only be required to provide cost information to the extent that this is necessary for the purpose of this agreement).

Review following changes on the Site

8. A review of the Discount shall also be carried out at the request of any party if there is a significant change in the demand from the Site including where new premises are constructed on the Site or there is a material change of use of existing premises on the Site (including in cases referred to in clause 29).

Notification of revised Discount

9. SEW shall notify the revised Discount to NAV in writing with appropriate information and explanations and shall provide any information as NAV may reasonably require.
10. In case of disagreement on the revision of the Discount the provisions of Section 21 shall apply.

PART II- Volumetric rate for the Assistance Supply Charge

11. The volumetric rate for the provision of any piped Assistance Supply shall be the standard household volumetric rate for the relevant region.

PART III Annual Standing Charge

12. An annual standing charge will also be added to the bulk supply cost based on the bulk supply meter size. No discount is applied to the annual standing charge. The annual standing charge for each meter size can be found on <https://wholesale.southeastwater.co.uk/about-us/our-charges>

PART IV Capital Contribution or Estimated Capital Contribution

13. The Estimated Capital Contribution is *Insert £amount (insert amount in words)*. excluding VAT.
OR
The Capital Contribution *Insert £amount (insert amount in words)*. shall be excluding VAT.

PART V Estimated Income Offset

14. The estimate of the Income Offset calculated with the information available at the time of signature of this agreement is *Insert £amount (insert amount in words)*.. The actual Income Offset shall be calculated in accordance with the provisions of this agreement.

Schedule 3. Supply Point, Alternative Supply Point, Connection and Reinforcement

Supply Point named: Insert name of supply point.

Connection:

Insert connection details/description.

Map:

Insert map of the site and connection point.

<p>The situation of apparatus set out on this plan is believed to be correct, but the company can accept no responsibility for any inaccuracy. The actual position of the apparatus must be established on site. This plan is not to scale. Reproduced from the Ordnance Survey Map with the permission of The Controller of Her Majesty's Stationary Office Crown Copyright. License No. 10018341</p>

Specific condition:

[Not Applicable] OR [Specify any agreed specific conditions relating to the Supply Point].

Off Site Reinforcement required:

Insert details/description of any reinforcement.

Alternative Supply Point:

[None] OR [insert details/description of the alternative supply point(s)].

Note: duplicate the section above to include information about any other supply point

Schedule 4. Water Quality Protocol, Planned and unplanned events

REVISION OF THIS SCHEDULE

The parties shall review and as appropriate update this schedule at regular intervals and not less than once per year to ensure that it remains consistent with their respective obligations as water undertakers and with any plans and other arrangements they may agree from time to time relating to planned and unplanned events.

PART 1 - WATER QUALITY PROTOCOL

1. This section sets out the communication plan recommended in relation to water quality events in Parts 6.18 and 6.19 of the DWI Guidance on the regulatory responsibilities of new (inset) appointees in relation to public water supplies. It is complemented by any plan that each party maintain to respond to these events and/or any coordinated plan they may agree from time to time.
2. The provisions of part 3 relating to unplanned events and incidents must also be applied in case of such events and incidents affecting water quality or causing a potential danger to human health.

Application, Purpose and Interpretation

3. The purpose of this protocol is to set out the steps the parties agree to follow concerning exchange of relevant water quality information.
4. For the purposes of this protocol, the following words shall have the meaning specified below.

“**Act**” means the Water Industry Act 1991.

“**Authorised Departure**” means an authorisation granted by the Secretary of State under Regulations 22 or 23 to temporarily supply water exceeding a drinking water standard when there is no potential danger to human health and while remedial work is being carried out to improve the quality of the supply.

“**Notice**” refers to a notice given by the Secretary of State under Regulation 28(4).

“**Potable Water**” means water that is required to meet the standards of the Water Quality Regulations.

‘Regulator’ means the Secretary of State for Environment, the Drinking Water Inspectorate or the Environment Agency.

“**Risk Assessment**” means a risk assessment made under Regulation 27.

“**Report**” means a report submitted under Regulation 28.

“**Source to Tap Chain**” means the source of supply from which the Supply is taken, and, where relevant, the storage reservoir used to store raw water, water treatment works used to treat the Supply, service reservoirs

used to store the Supply and any other part of SEW's water supply network which SEW consider could have a significant impact on the quality of the Supply.

“Undertaking” means an undertaking given SEW under the provisions of Section 19 of the Act. Undertakings are legally binding programmes of work by a water company and agreed by the Chief Inspector of Drinking Water to address actual or potential water quality issues.

“Water Quality Regulations” means The Water Supply (Water Quality) Regulations 2016 (as amended) in England. All references to Regulation numbers relate to the Water Quality Regulations.

Risk assessments

5. The Supply shall be detailed in the Risk Assessments and Reports of both parties.
6. SEW shall provide NAV with details of any risk based monitoring programmes that are relevant to the Supply (e.g. the names of pesticides assessed in the raw water source from which the Supply is taken) so that monitoring programmes of the parties can, where appropriate, be aligned.
7. The parties will cooperate in providing each other with Report information reasonably required in order to conduct and update their Risk Assessments to the extent that it is relevant to the Supply.

Information Exchange

8. SEW will provide NAV with the following:
 - 8.1. a copy of any Authorised Departure or Undertaking (including the schedule of works), associated with the Supply;
 - 8.2. a copy of any relevant part of a Notice or Report associated with the Supply;
 - 8.3. details of the Source to Tap Chain, including any material changes to the Source to Tap Chain before they occur (except in the case of emergencies where SEW should inform NAV as soon as practicable after necessary action is taken).
9. SEW will keep NAV fully informed if seeking an Authorised Departure or Undertaking which affects the Supply or if a Notice is received which affects the Supply.
10. A party will notify the other party and provide all relevant information as soon as reasonably practicable after becoming aware of any of the following:
11. In respect of the Supply, where any circumstances arise which have led to a breach of Regulation 4 (or where the notifying party believes there is a significant risk of such a breach) which could impact the Supply.
12. In respect of the Supply:

- 12.1. any event which is notified to a Regulator, a Health Authority or a Local Authority that may impact upon the Supply;
- 12.2. a significant change in the number or type of water quality customer contacts where assessment identifies a potential link to, or impact upon, the Supply;
- 12.3. any significant aesthetic issue affecting appearance, odour or taste which the notifying party believes may have an impact on, or be attributed to, the Supply;
- 12.4. any planned work which identifies a potential impact on the Supply;
- 12.5. any other information that the notifying party believes has the potential to significantly impact the Supply.

Communication

13. All notifications made under this Protocol shall be made initially by telephone followed by e-mail communication. The contact names, telephone numbers and e-mail addresses shall be those set out in the Table 1, except where alternative contact details are supplied by either party.
14. Telephone contact between parties must be available 24 hours a day;
15. Where a water quality issue has been identified and notified, an ongoing dialogue between the parties regarding impacts and remedial actions should be conducted.

Regulation 15

16. NAV acknowledges the requirements of Regulation 15 (Sampling: new sources) and any associated guidance issued by the Drinking Water Inspectorate.

Communication Responsibility

17. The responsibility for flow of information is:
 - 17.1. Where the supply problem is identified by SEW
 - 17.1.1. SEW contacts NAV and advises of the nature of the problem and remedial steps being taken.
 - 17.1.2. NAV contacts their customers as appropriate.
 - 17.1.3. SEW and NAV to maintain regular dialogue concerning impacts and remedial actions (information to flow in both directions).
 - 17.2. Where the supply problem is identified by the NAV

17.2.1. NAV contacts SEW and advises of the nature of the problem and discusses remedial steps being taken.

17.2.2. NAV contacts their customers as appropriate.

18. SEW and NAV to maintain regular dialogue concerning impacts and remedial actions (information to flow in both directions).

Table 1: Contact information

Company	Time	Water Quality Contact Name / Team	Telephone and Email
Supplying Company (South East Water/SEW)	Office Hours (09:00 – 17:00)	Duty Control Manager	0333 000 1100 wholesale@southeastwater.co.uk
	Out of Hours (17:00 – 09:00)	Duty Control Manager	0333 000 1100
Receiving Company (NAV)	Office Hours (09:00 – 17:00)	Insert contact.	Insert contact.
	Out of Hours (17:00 – 09:00)	Insert contact.	Insert contact.

PART 2 – PLANNED EVENTS

1. Notification by SEW of capital works which may affect the supply to NAV customers – long term planning

Step 1

At least once every three (3) months but sooner if known, SEW shall notify NAV of all works it intends to conduct on its network and which may interrupt the Supply which it provides to NAV together with any information about the expected interruption which SEW has. Such information shall be made by electronic means as set out in clause 40 and shall include where available:

- The programme of works
- The nature of the works
- The likely level of any disruption to the Supply provided to NAV

At the same time, SEW shall notify NAV of any updates to previous notifications.

Step 2

NAV may make comments on SEW's notifications. SEW shall reasonably consider and where it decides appropriate, incorporate NAV comments into its final plan for conducting the works.

Step 3

SEW shall make any final or updated copies of its plan available to NAV.

2. Notification by SEW of short term planned activities which may affect the supply to NAV customers

Step 1

At least twenty-two (22) Working Days in advance of carrying out any planned work which it expects or reasonably should expect to have an effect on the provision of the Supply to NAV, SEW shall notify and update NAV of those activities.

The notice shall be by electronic means as set out in clause 40 and shall include the following information in relation to planned events (i) the earliest date and time after which SEW reasonably expects that the supply will be interrupted or cut off, and (ii) the latest date and time by which SEW reasonably expects that the supply will be restored.

For any major interruption to supply, SEW shall provide NAV with details of any contingency plan which it has for the works taking longer than planned.

Step 2

NAV may make comments on SEW's plan within five (5) Business Days of its date of issue. SEW shall reasonably consider and where it decides appropriate, incorporate NAV comments into its final plan and shall reissue the plan at least ten (10) Business Days in advance of carrying out the planned works.

Step 3

If SEW is unable to complete the work on the planned date for reasons out of its control SEW may reschedule the proposed start date provided it notifies NAV at least forty-eight (48) hours in advance of the rescheduled start date or NAV agrees to a shorter time period.

3. Notification by SEW of reactive activities which may affect the supply to NAV customers

Reactive activities are those activities that do not form part of a programme of work but which need to be carried out and which are not covered under long or short term planning.

At least forty-eight(48) hours in advance of the time chosen by SEW to commence the reactive activities which it expects or reasonably should expect to have an effect on the provision of Supply to NAV, SEW shall notify and update NAV of those activities.

The notice shall be by electronic means as set out in clause 40 and shall include the following information in relation to planned events (i) the earliest date and time after which SEW reasonably expects that the supply will be interrupted or cut off, and (ii) the latest date and time by which SEW reasonably expects that the supply will be restored.

Where the nature of the requirement is such that forty-eight (48) hours advance notice cannot feasibly or practically be provided, Part 3 (unplanned events and incidents) may apply.

For any major interruption to supply, SEW shall provide NAV with details of any contingency plan which it has for the work taking longer than planned.

PART 3 - UNPLANNED EVENTS AND INCIDENTS

General introduction

1. This part sets out the steps to be followed by the parties in relation to changes to the Supply which are not planned by or on behalf of SEW, for example emergencies, potential drinking water quality incidents, pollution incidents or civil emergencies.
2. This part sets out the steps that the parties agree to follow in relation to the management of unplanned events and incidents where they affect SEW's Water Supply System and affect or may affect the Supply to NAV or where they affect NAV's Water Supply System and affect or may affect the Supply or SEW's Water Supply System and in particular the supply to SEW's customers.
3. SEW and NAV may have a number of plans in place for addressing how such events or incidents shall be managed and the steps in this part must be followed in conjunction with those plans.

Roles and responsibilities

4. SEW is responsible for ensuring that the arrangements for the Supply meet all required standards and for managing the provision of the Supply or any Emergency Supply during any unplanned event or incident in accordance with this agreement.
5. SEW is responsible for meeting any obligation it has to report unplanned events or incidents to any relevant authority, such as Defra, the Drinking Water Inspectorate and/or the Environment Agency, for liaising with them or any other public authority in relation to the management of unplanned events or incidents and for taking any remedial or other steps required to resolve them.
6. This is without prejudice to any similar obligation that NAV may have in relation to other or the same events or incidents and NAV shall be responsible for complying with its own obligations in this respect and for complying with the relevant steps of this part to inform SEW of any unplanned events or incidents as appropriate.
7. Nothing in this part changes or supersedes anything required by the Drinking Water Inspectorate or under any duty or obligation of the parties as water undertakers but it is intended to clarify the interactions and flows of information required between the parties for the effective management and response to unplanned events and incidents.
8. NAV must support SEW in its management of unplanned events or incidents by following the steps set out in this part and any other requests in relation to communication with NAV's customers. Such requests must always be reasonable and include, for example, requests to follow particular scripts when relaying information to its customers in respect of any unplanned events or incidents affecting the Supply.
9. In addition to notifying NAV of any planned interruptions to supply, SEW shall also notify NAV of any unplanned interruptions or changes to supply which may take place within all or part of its supply area and which are reasonably likely to affect the Supply.

10. Under this part such notifications from SEW to NAV of unplanned events and incidents shall be by all appropriate means, which shall include electronic means and/or personal contact (which may be followed up by electronic means where appropriate).

24 hour contact arrangements and communication in case of unplanned event or incident

11. Effective and timely communication is essential in matters to do with protecting customers and public health and to manage and respond to unplanned events and incidents. Communication needs to be in two directions:

- in certain circumstances relevant and clear information needs to be provided to customers; and
- information from customers (including customers of NAV) has to be received by SEW to allow relevant information to be collated and evaluated and for operational decisions to be made.

12. Consistent with that, NAV must:

- on a standing basis, provide information to its customers regarding the importance of reporting any unplanned change in their water supply and ask them to contact NAV in relation to any such unplanned change.
- be able effectively to receive information from SEW and pass information to its customers twenty-four (24) hours a day, for example in case it is required to support communications with any of its customers during an event or incident;
- provide SEW with twenty-four (24) hour contact details on which SEW may contact NAV if NAV is required to support communications with any of its customers in relation to the identification or management of any event or incident, for example by providing the details of any on-call contact manager;
- follow the industry standard in place from time to time in relation to the content of its messages to its customers telling them how they should respond and when they should report any unplanned change in their water supply to NAV;
- if NAV receives a communication from a customer in relation to an unplanned change in their supply of water, inform SEW immediately of any suspected incident or event on SEW's Water Supply System;
- ensure that any customer who tries to contact it outside NAV's business hours shall not receive a message simply informing them that NAV's offices are closed;
- direct any customer of SEW who contacts NAV in relation to any other matter to SEW;
- If NAV otherwise finds or receives other information which may relate to an actual or potential unplanned change in the Supply, it shall inform SEW immediately, for example via the standing on-call arrangements described above.

13. SEW must:

- also be able to receive information to allow it to manage events and incidents twenty-four (24) hours a day;
- make its twenty-four hours a day/seven days a week (24/7) contact details for customers or other members of the public publicly available;
- provide NAV with any different twenty-four (24) hour contact details which NAV should use for direct communications with SEW, for example, standing on-call arrangements;
- if SEW receives a communication from a customer of NAV in relation to an unplanned change in their supply of water, inform NAV immediately of any suspected incident or event on NAV's Water Supply System;
- direct any customer of NAV who contacts SEW in relation to any other matter to NAV.

14. Whether via SEW-NAV twenty-four (24) hour on-call arrangements, or otherwise, if SEW provides NAV with information about an unplanned change in the Supply it shall include an explicit statement at the beginning of any such communication as to whether it wishes NAV to:

- take action;
- prepare to take action; and/or
- be aware of the information in order to react appropriately to any enquiry which it receives.

15. Additionally, wherever relevant to the particular circumstances of an unplanned event or incident, SEW shall also provide information or confirm to NAV (unless that information is subject to a moratorium on communication):

- the nature and scale of the unplanned change to the Supply;
- any specific impact on particular types of customers;
- its proposals to remedy the unplanned change;
- the estimated time of restoration;
- any lines of communication in relation to the unplanned change; and
- any message or script which NAV must use when communicating with its customers.

16. If SEW does intend to place any moratorium on communication, SEW shall notify NAV of that fact and that NAV is to prepare to take action upon the moratorium being lifted. NAV shall put such arrangements in place to ensure that where SEW has put in place a moratorium on communication, the fact that there is a restriction is not communicated via any member of the NAV's staff or via systems to individuals, companies or organisations outside of NAV's organisation.
17. Wherever appropriate, including wherever SEW wishes NAV to take action or prepare to take action, SEW shall pro-actively contact NAV to confirm receipt of the information, for example using the standing on-call arrangements described above.
18. If SEW takes any action to notify customers at large of changes in the services supplied where there is a potential danger to human health, for example issuing boil notices, or to provide any other information in relation to such an unplanned change such as issuing general explanations, it shall, in this context, treat NAV customers as it would any member of the public and shall not exclude them from such communications. SEW shall also send a copy of any such communications to NAV.
19. The steps described in this part seek to ensure that when it is confirmed that a restriction is to be placed on the water supply in a particular area to enable incident control plans:
 - information is shared with NAV on the actual area affected and the nature of the restriction;
 - information obtained by NAV is shared with the members of SEW's incident management team and in particular the Local Authority Environmental Health Department;
 - information provided by NAV to its customers is aligned and consistent with the information being provided by SEW to its customer and other agencies;
 - pertinent information from customers that may have a bearing on the management of the drinking water quality incident is fed back to SEW;
 - the provision of information to customers that may be communicated by the Local Authority Environmental Health Department or other Relevant Authority is co-ordinated; and
 - information provided to the NHS is co-ordinated, aligned and consistent with other information being provided.
20. Where SEW determines that there is a need to commence arrangements to notify all customers, it shall invoke this part and any applicable incident control plan. In the first instance, and where the decision has not yet been made by SEW as to whether a restriction is to be imposed, SEW:
 - shall advise that there is a potential for a restriction on water use due to a drinking water quality incident and the provisions of this part are being invoked;
 - shall advise on the general area where the possible restrictions may be placed, the approximate scale of the incident in terms of the overall number of properties likely to be affected (domestic and non-domestic) and the likely nature of the restrictions;

- shall advise a best estimate for when information on the restriction shall be issued to customers;
 - shall advise of any arrangements that it is putting in place at this stage to inform customers.
21. Where the decision is taken by SEW, for example by any incident management team it sets up, to issue information to customers and stakeholders, SEW shall make such communication and shall advise NAV of:
- the actual area that is affected;
 - the nature of the restriction (boil/don't drink or cook/don't drink, cook or wash) and NAV shall ask its customers to comply with them;
 - the time when the information is to be released to customers;
 - whether SEW wishes NAV to take any reasonable steps including in relation to communication with its customers together with the details of such steps; and
 - whether there has been any change or update to the information it previously gave in relation to protocols or other information which NAV must use when responding to enquiries from its customers.
22. Once the press release or other communication has been agreed by SEW's incident management team or otherwise finalised by SEW, SEW shall advise NAV of all general communications being made by SEW to customers, and shall provide NAV with copies of all scripts and materials used by SEW.
23. In any event SEW shall ensure that NAV is informed of the information provided to all customers and any particular scripts or other information NAV should use when responding to an enquiry from a customer as soon as possible.
24. If appropriate, for example if requested by a relevant authority such as the Local Authority Environmental Health Department representative on any incident management team, SEW shall confirm with NAV which of NAV's Sensitive Customers are in the area affected. SEW shall then liaise with the relevant authority once it has received this information from NAV (but NAV may also provide this information under its own plan).
25. Where it is appropriate to do so, the relevant authority and NAV will communicate directly to clarify which customers each person is communicating with and the messages being communicated. This will be arranged via NAV in the first instance but keeping SEW informed of the communication taking place.
26. Whilst the unplanned event or incident continues, each party shall, as frequently as is appropriate for any particular stage of an event or incident, continue to update the other with any changes to the information provided to it.
27. Each party shall inform the other as soon as the unplanned event or incident is concluded.
28. Each party shall co-operate with any investigation which the other or any relevant authority conducts into the unplanned event or incident.

29. If SEW or NAV identifies any lessons learnt in relation to an unplanned event or incident which may be relevant to the other's customers, it shall inform the other of those lessons learnt.

Management plans for unplanned events and incidents

30. SEW and NAV maintain a number of plans in order to help avoid or manage unplanned events and incidents. These include:

- long term plans such as water resource management or drought plans;
- emergency plans relating to performance of their obligations under the Security and Emergency Measures Directions; and
- incident management plans such as drinking water quality incident plans.

31. SEW and NAV may also operate coordinated plan (as may be agreed from time to time) in respect of particular customers of NAV that depends on the Supply for example setting out how water supplies to particular premises such as hospitals or prisons shall be ensured; and for example for premises carrying out business processes which may be particularly sensitive to changes in the water supply.

32. In relation to their long term plans, SEW and NAV must include each other in consultation on their preparation, revision or maintenance. They shall do so in light of any water resource management planning guidelines set by the Environment Agency or other relevant authority from time to time. Provided each has acted reasonably, for example by giving the other sufficient time to collect information from its customers and respond, each must give the other any information the other reasonably requests in order to prepare or revise those plans. Each shall also tell the other where the other may obtain a copy of any final or updated long term plan or otherwise provide a copy of the plan.

33. Each party's plans may require the other to follow reasonable additional or alternative steps to those set out in this part.

34. In so far as each party's plans affect the other, that party shall consult with the other in relation to the development or update of any of its plans. Each party shall provide the other with any assistance that it reasonably requires for the preparation, update or testing of such plans.

Bogus Callers

35. SEW and NAV shall also inform each other if they become aware of bogus callers operating in any particular area.

Schedule 5. Change control procedure

1. Either party may request a change to the terms of this agreement under this procedure (except where otherwise provided for in this agreement).
2. Until such time as a Variation has been agreed and signed by both parties, the parties shall continue to perform their obligations in accordance with the terms for the time being of this agreement.
3. Any discussions, negotiations or other communications that may take place between the parties in connection with any proposed change to this agreement, including but not limited to the submission of any written communications, prior to the signing by both parties of the relevant Variation, shall be without prejudice to the rights of either party.
4. The party requesting a change may request an initial meeting to be held within a reasonable time to discuss the initial proposal before a written change proposal is submitted.
5. The party requesting a change to this agreement shall submit a written proposal to the other party setting out:
 - a) A description of the proposed change and of the reasons for the change in sufficient detail to enable the other party to assess its impact on this agreement and its performance
 - b) Whether the proposed change may require works to be carried out or any alteration of any Water Supply System including a description of such works or alteration
 - c) Whether the party requesting the change requires a quotation or a modelling or technical report from the other party in relation to the proposed change (including any works (or part of them) that would be required)
 - d) Any change to the nature and extent of the obligations of either parties under the agreement
 - e) A proposal on the responsibility for and payment of the costs relating to the proposed change
 - f) Any impact on any of the charges
 - g) A draft Variation of this agreement showing a mark-up of the proposed amendments to this agreement
 - h) The date on which the proposed change is expected to take effect and any steps required for its implementation.
6. The party receiving the request shall provide a response within a period of 20 Working Days commencing on the date of receipt of the duly completed written change proposal stating whether it:
 - a) agrees to the change proposal;
 - b) rejects the change proposal and provide an alternative proposal and justification for it; or

- c) rejects the change proposal providing reasons for its rejection.
- 7. The receiving party may request additional time where this is justified by the complexity of the proposal and the requesting party shall not unreasonably refuse such extension of time.
- 8. The party requesting the change shall provide any additional information that may be reasonably requested by the other party.
- 9. If the change proposal is agreed and/or if an alternative change proposal is agreed, the parties shall document the agreed change in a variation agreement (a "Variation") signed by the parties.
- 10. If a change proposal is rejected and the parties do not reach an agreement on an alternative change within a period of 60 Working Days from the date of the notification of the rejection by the receiving party, either party may treat the failure to reach agreement as a dispute and may invoke the dispute resolution procedure in Section 21.